

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JANUARY 5, 1933

THE NEW YEAR

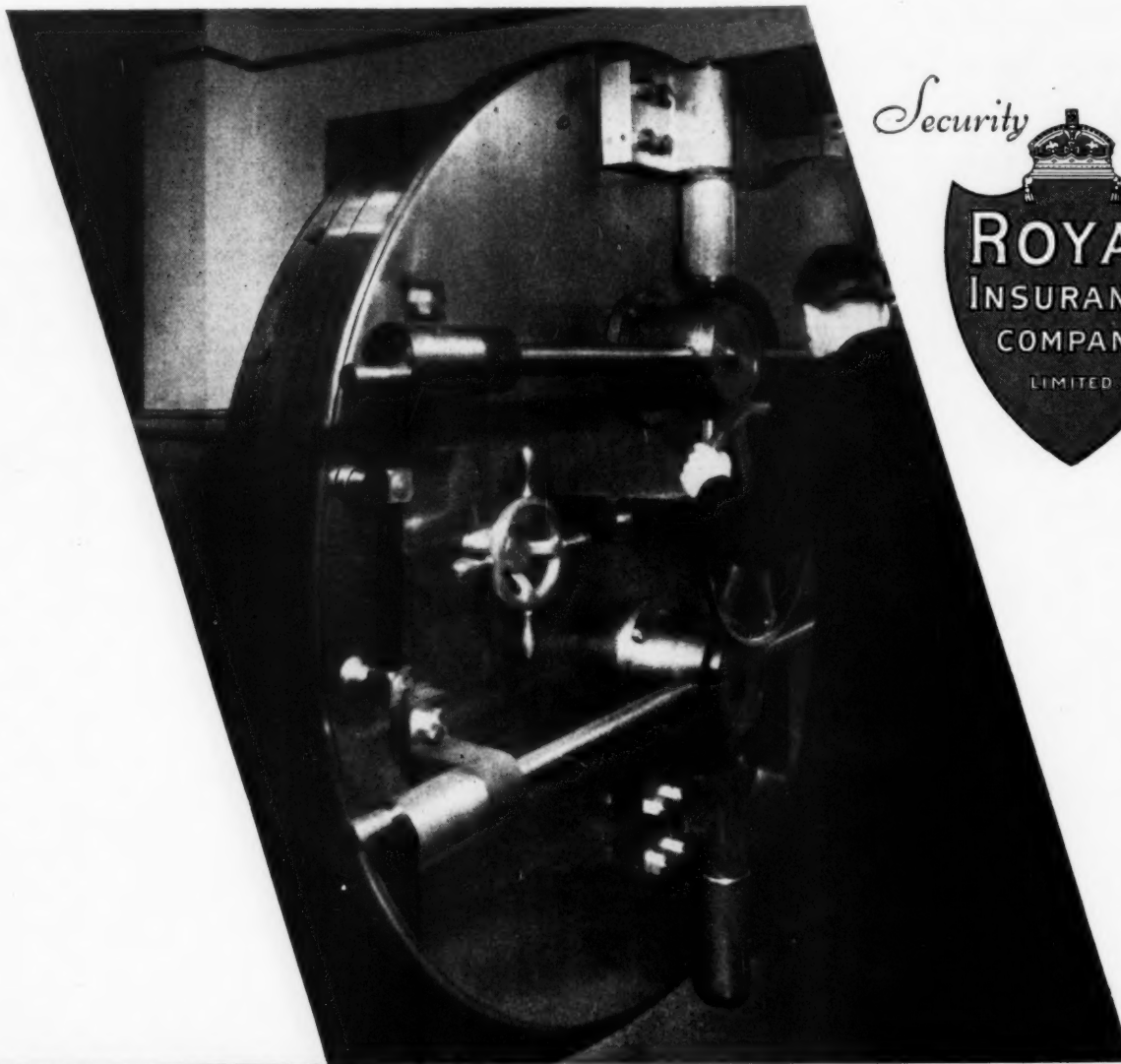
IS FACED BY THE
INSURANCE FRATERNITY
WITH JUSTIFIABLE PRIDE
IN PAST PERFORMANCE

AND WITHOUT DOUBT OF
ITS ABILITY TO CARRY ON

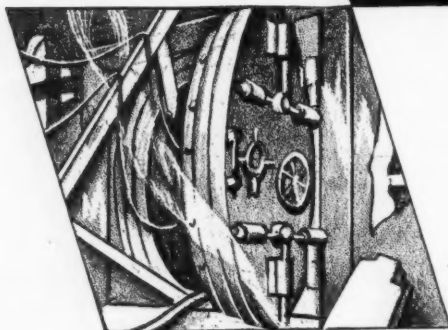
KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES

EMPLOYERS
REINSURANCE
CORPORATION

E. G. TRIMBLE, President



Security First



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The "right" company is the **ROYAL**...look for the **ROYAL** shield . . . the sign of **SECURITY FIRST**.

ROYAL

INSURANCE COMPANY LTD

150 WILLIAM STREET ■ NEW YORK

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The Companies of the America Fore Group with their funds secured in America, offers their sound American indemnity for the safeguarding of American enterprise.



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NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

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1933	JANUARY							1933
Sun.	Mon.	Tues.	Wed.	Thur.	Fri.	Sat.		
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**YEAR IN AND YEAR OUT YOU'LL DO WELL WITH THE
HARTFORD ACCIDENT AND INDEMNITY COMPANY**

1933 JULY 1933

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1933 OCTOBER 1933

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1933 NOVEMBER 1933

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The National Underwriter

Thirty-Seventh Year No. 1

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JANUARY 5, 1933

\$4.00 Per Year, 20 Cents a Copy

Premium Finance Pool Still in Air

Fire Company Officials Deny
Knowledge of Movement to
Handle Agency Accounts

SKEPTICISM IS GENERAL

Proponents of Scheme See Low Cost of
2 Percent Possible Through
Common Arrangement

NEW YORK, Jan. 4.—If, as has been intimated, consideration is being given by a number of fire company officials to formation of a pooling arrangement for financing agency premium accounts, the matter is being kept very quiet. Officials queried in such connection stated they had no knowledge of it.

The report persists, however, that a plan, or several plans to that end, have been talked over. Apparently none has crystallized to the point where it is ready for submission to executives generally, and it may be that the matter may never get beyond the very general conversation stage.

Should a positive program be submitted it would, of course, be patiently heard by company chiefs, and if considered meritorious would have substantial support. The prevailing attitude of officials as to the general subject, however, is one of skepticism, and proponents of any concerted plan for the collection of overdue premium accounts would have to convince the many doubting Thomases of the entire feasibility of the scheme before gaining their endorsement.

Little Headway Is Gained

Though meeting with a degree of favor throughout the central west, the practice of having premiums advanced by private corporations launched for that especial purpose has not gained much headway either in the east or the south, although heard of occasionally in certain centers in both sections.

If a real demand for premium financing should develop throughout the country, or in any considerable part of it, some company officials, it is understood, would favor a pooling arrangement among the companies, in order to insure uniformity of practice and keep all records concerning the business in the hands of the insurance fraternity.

By concerted action, it is figured the cost of premium financing could be conducted upon a low premium interest charge, possibly even 2 percent, a figure that could easily be borne by those seeking the accommodation.

So far as the participating companies were concerned, it is argued, they would be benefited through a saving in their accounting divisions; in the time devoted at head offices to correspondence with delinquent agents, and principally, in the

(CONTINUED ON PAGE 11)

Prospect Not Discouraging

Fire Company Officials and Agents Accomplished Much
in Trying Year—Find Much to Be Thankful
for in Past, Future Promising

By GEORGE A. WATSON

NEW YORK, Jan. 4.—Though fully appreciative of the many discouragements with which they had to contend last year, and realizing that a hard, steady grind may be expected in 1933, company officials are not discouraged with the outlook. Instead, they face the prospect with high courage and a determination to carry to fruition the reformative plans for the business initiated last year; confident that when these are made operative fire insurance again will take its place as among the most stable of the great businesses of the land.

As has been repeatedly pointed out, fire insurance has stood the strain of the past three years far more creditably than any other important business institution. Banks by the hundreds have closed their doors; railway systems been placed in receiverships, and innumerable industrial enterprises folded up, either voluntarily or under compulsion, but fire insurance has stood firm, meeting every obligation and continuing to supply that basis of credit without which general business operations could not be carried on.

Position Well Bolstered

While the companies as a whole have lost millions of dollars through shrinkage of assets, such losses have not been passed on to policyholders. Every company maintained adequate reserves for the carrying out of contract obligations, and supplemented these by strong capital and net surplus accounts.

Where the pressure has proved too severe for certain offices to carry on individually, mergers have been effected, or, more rarely, reinsurance. In every case, so far as can be recalled, policyholders have been protected.

The institution of fire insurance has justifiable reason for being proud of its record during the days of storm and stress, and that it will continue to be a bulwark of great strength there can be no doubt. The very nature of their calling makes fire underwriters optimists; if they were to be frightened by any untoward happening in their business they would speedily be compelled to retire from it.

Flood of Major Problems

Reduced premium income, excessive losses on hitherto preferred classes of risks and a sagging financial market are among the major problems with which company executives have had to contend during the past year. Despite enforced economies in operating activities, these have not sufficed to take care of the drop in income, with the result that expense ratios last year are bound to be higher than those of 1931, which in turn, and largely for the same reasons, were in excess of those for the preceding 12 months.

While the stock market is yet far from being what was hoped for, companies

generally are in better financial shape today than at the close of 1931; for during the 12 months that have elapsed opportunity was afforded for strengthening investment portfolios where needed. Confidence is felt that the market movement from now on, by and large, can be in but one direction—upward.

Better Investment Practices

Those offices that invested a considerable percentage of their assets in bonds of high character, are especially well off, and there is no doubt that many more will follow this practice in future. Though anxious for premium income as perhaps never before, companies yet insist that only business holding a prospect of profit be written. They are ready to accept "accommodation lines" only from agencies supplying a proper percentage of profitable business; the bars are up to all others.

Of all the perplexing problems of the past two years, none caused more concern than overdue agency balances. In the minds of some, agents as well as company managers now are convinced of the wisdom of strictly enforcing payments within contractual periods. An effective aid in bringing this about will be the widespread use of the form of agency agreement now in operation in the central west, compelling separation of an agent's personal funds from those of his companies.

Strict Rule Beneficial

More effective than state mandates, or association rules upon the subject of premium collections, would be the rigid insistence by each company that all accounts be sent in within the allowed 60 days, or delinquent agency suspended.

Foremost among the cooperative movements launched in 1932 was the Insurance Executives Association, of which P. L. Haid, a trained fire insurance official, is president. The purpose of the organization is to prevent the overlapping of governing associations, increasing their efficiency and reducing their general expenses; all of which objects have been measurably attained thus far, and will be extended as plans under advisement mature.

The centralizing of loss adjustments in the hands of the Fire Companies' Adjustment Bureau, is another of the notable happenings of 1932; the readjustment of methods for dealing with claim handling, long recognized as being sorely needed, has been largely effected under the direction of G. W. Lilly, and the work will be steadily broadened and improved as time passes.

General Loss Record Good

While the general fire record of the country, compared to that of former years, was not severe in 1932, the period was notable for the excessive number of losses suffered on dwellings and kindred

(CONTINUED ON PAGE 11)

Credit Extension Being Curtailed

Companies Are Bearing Down
More and More on De-
linquents

WASTE IN COLLECTIONS

Agents Are Using the Selective Process
in Dealing with Their As-
sureds These Days

Casualty and fire companies and agents went through a hectic year in 1932 in many ways. One of the big problems related to credit. Agents everywhere found it difficult to meet their obligations. They were using current money to pay their balances due three months back. A number of offices were put in the hands of committees or trustees in order that current balances might be paid and the old accounts worked out as best they could. There is a large amount of money outstanding over 90 days old, some of it dating back many months.

Getting Local Offices in Shape

Companies seem to have come to the conclusion that they will not tie up current business with old accounts. Therefore they have put agencies on a cash basis, so to speak, for all going business. The plan is to allow a delinquent agent a living allowance, then have his office remit promptly the current balances and if possible pay off something on the old account. It has been very difficult to do aught than to meet current obligations even under the new system. Field men have taken the bull by the horns and where agents have not cut down their overhead as they should, pressure is brought to bear particularly in those cases where agents have not paid their companies for some time back. Many local offices hesitated to put into effect economies, especially cutting down salaries or letting out clerks. They feared local criticism. As time has gone on, insurance officials have ascertained that almost all business concerns are reducing the gross amount they could take in but are putting themselves on a cash basis.

Time Wasted in Collections

During the last three months of the year, field men were giving almost all their time to collections. Prior to that from 50 to 75 percent of their time was taken in this work. Weekly routes were made out with a view to visiting agencies that owed balances. Because so much effort had to be made collecting balances, field men have not been able to give thought to constructive and promotional work. Their time has been so occupied that they could not devote attention to business getting methods, stimulating production and building in general. This is having its effect and

(CONTINUED ON PAGE 8)

Would Curb Theft Losses in Chicago

Radical Changes and Innovations Will Be Instituted to Correct Situation

PLAN SALVAGE COMPANY

Cook County Bureau Probably Will Handle Adjustments—Two Companies Withdraw—Grand Jury Active

Within a few weeks, radical changes and innovations will be instituted in an attempt to correct the terrific automobile loss situation in Chicago.

One change is likely to be the reference of automobile losses to the Cook County Loss Adjustment Bureau. This proposal has been under consideration for more than a year and is now on the point of being instituted, the anticipation being that a mail vote among members of the National Automobile Underwriters Association will result favorably towards the plan. The expense involved will be about \$25,000, half of that amount being represented by new expenditures which the bureau will be called upon to make in order to handle automobile adjustments and the other half the allocation of present overhead to automobile work.

The plan is to have the Cook county bureau prepare an approved list of adjusters and handle automobile work in much the same way as fire insurance losses are now handled in Cook county. That is, the Cook county bureau does not adjust losses, but merely refers the work to approved adjusters. Certain details are yet to be worked out, for instance, the minimum amount of loss beyond which it will be mandatory for cases to be submitted to the bureau.

Auto Salvage Company

Another proposal that is approaching maturity is creation of an automobile salvage company in Chicago by the insurance companies. At first, the salvage company would completely handle recovered and stripped automobiles, which are beyond rebuilding. They would be dismantled and the parts put in a bin, the insurance company being given credit for whatever the parts were worth. This would keep the parts from getting into the hands of crooks to be used in assembling cars with stolen parts.

Another change will likely be the substitution of the deductible pilferage clause, such as is in use in Kansas City, for the present equipment exclusion clause. Under the deductible pilferage clause, there is a specified deduction from partial and total theft losses just as there is under the deductible collision clause.

Some companies in Chicago are insisting upon owners of certain makes of automobiles which are suffering the highest loss record, equipping their cars with approved locking devices. They are being required, for instance, on Fords, DeSotos, Plymouths, Chevrolets, Chryslers and Oldsmobiles. It is likely that such a regulation may be adopted by the western advisory committee of the National Automobile Underwriters Association.

Two Companies Withdraw

Two large companies have definitely ceased writing automobile business in Chicago. Even profitable agencies have been cut off.

The companies are determined that the Chicago situation shall be corrected. One hopeful sign is that the daily news-

(CONTINUED ON PAGE 13)

Corroon & Reynolds Send Chapman to San Francisco

J. W. KNOX IN CHICAGO POST

Important Changes Announced by Corroon & Reynolds Organization—C. C. Clark to Los Angeles

Important changes in the management of the San Francisco and Chicago affairs of the Corroon & Reynolds companies have been announced by Vice-President E. S. Inglis.

R. R. Chapman, who has been Cook county manager for those companies, has been appointed resident general agent at San Francisco for the Globe & Republic, Merchants & Manufacturers and Independence Underwriters of the American Equitable. He arrived in San Francisco Wednesday of this week.

J. W. Knox, secretary of the Corroon & Reynolds companies, has been appointed Cook county manager to succeed Mr. Chapman. Mr. Knox arrived in Chicago last week.

Former Representation

At the same time C. C. Clark, who has been state agent for certain of the Corroon & Reynolds companies in Iowa and Nebraska, has been transferred to Los Angeles and will assist Mr. Chapman on the coast.

The Globe & Republic heretofore has been represented in the San Francisco general agency of Wallace, Phipps and the Merchants & Manufacturers in the Henley & Scott general agency of San Francisco. The new setup was achieved amicably. A. O. Graven, who has been special agent for the Independence Underwriters at San Francisco, is retiring to become associated with a Pacific Coast general agency.

Chapman Has Wide Experience

Mr. Chapman has had a long experience in the field and home office. At one time he traveled for the Glens Falls in the mountain field with headquarters at Denver and later covered Minnesota and Wisconsin for the same company. His next connection was with the North British & Mercantile in Minnesota and Wisconsin and later was transferred to the home office of that company as assistant general agent of the western department. About five years ago he joined the Corroon & Reynolds organization as resident general agent for several middle western states and when the Cook county department of the Cor-

Fails to Get Renewal; Reason: House on Fire!

When W. H. Weightman, local agent of Mound City, Mo., noted that the fire insurance policies on the home of Mrs. Tom Pebley would expire within a few days, he decided he would telephone her about renewal. His call was delayed and then the telephone operator explained: "I'm sorry, but I can't raise your party. Her house is on fire." The residence was completely destroyed. Mrs. Pebley carried \$3,000 insurance.

roon & Reynolds organization was opened he was chosen as its manager.

Mr. Clark at one time traveled in Pennsylvania and also in Wisconsin. He later became an officer of the Sterling Fire of Indianapolis and then moved to southern California, remaining there until about three years ago, when he returned to the middle west as field man for Corroon & Reynolds in Michigan, Ohio and later in Iowa and Nebraska.

Knox Former Chicagoan

Mr. Knox was at one time assistant United States manager of the Netherlands and then vice-president of the Great Lakes of Chicago. When that company was taken over by the Public Fire, he was transferred to the head office of that company and was made vice-president. When the fire business of the Public Fire was reinsured in the Globe & Republic, Mr. Knox was taken over by the Corroon & Reynolds organization and has been in the underwriting department at New York for several months.

C. W. Ade will continue as chief underwriter aid assistant to Mr. Knox at Chicago and T. J. Flynn will continue in charge of the brokerage and reinsurance department.

GRAVEN'S NEW CONNECTION

SAN FRANCISCO, Jan. 4.—A. O. Graven, who is retiring as special agent for the Independence Underwriters, is becoming associated with John M. Gordon in the Insurance General Agencies, a new organization. Mr. Gordon was formerly connected with the American Associated Agency of San Francisco. Among the companies to be represented in the Insurance General Agencies, it is understood, will be the New England Fire of the Springfield Fire & Marine group, and the Independence Underwriters of the International Reinsurance.

Insurance Taxes Total 95 Million

Costs States Only 4.6 Percent of Revenue for Supervision

U. S. CHAMBER FIGURES

Excess for Ten Year Period Totals \$771,183,196—Penalizes Those Who Protect Themselves

WASHINGTON, D. C., Jan. 4.—The insurance department of the Chamber of Commerce of the United States has found, through a survey, that insurance policyholders paid to the states in indirect taxes in 1931 a total of \$95,484,540. While this is a decrease of about 4 percent as compared with 1930 figures, it is estimated that insurance premiums decreased more than 10 percent. The total disbursements of all the state insurance departments in 1931 amounted to \$4,405,669. In other words, 4.61 cents of each dollar collected in taxes, or \$1 out of each \$21.69, was spent for service of policyholders, the remaining 95.39 cents being used for general purposes.

An analysis of the figures discloses that for the years 1922-1931 inclusive, total tax collections from all lines of insurance amounted to \$804,514,496 and expenditures of the state insurance departments totalled \$33,331,300. The excess, \$771,183,196, would be more than sufficient to pay the 1931 fire or automobile and workmen's compensation insurance premiums of all the policyholders in the country. Equally illustrative of the magnitude of the amount of insurance premiums which goes for tax purposes is a comparison with life insurance premiums. The excess collections would pay more than 25 percent of the nation's one year life insurance premium bill. The insurance department points out that policyholders are the victims of double taxation, being taxed as ordinary citizens and again as policyholders for general state functions.

Tabulate Figures by States

A description is given in the report of the various types of insurance licenses, taxes and fees imposed by the states; and a tabulation by states of the taxes collected and money expended in operating the state insurance departments is included.

"Much can be done," says the insurance department, "by insurance committees and other business men's organizations in the way of education to acquaint members with the facts regarding these taxes. This is one of the best ways public support can be effectively aroused against unreasonable application of such levies."

In conclusion, the report asserts "that the insurance institution is essential to economic and social welfare and taxes levied upon it are in fact placed upon the necessary expenditures of policyholders. The result is a decrease in the amount of protection which policyholders' premiums will buy. Those who benefit society by protecting themselves against adversity are taxed, whereas those who do not insure themselves against loss of property or liability claims are exempt from these taxes. In the case of life insurance, these taxes penalize those who desire to safeguard the future of their dependents. All that policyholders can reasonably ask for, however, is equal consideration with other classes of citizens."

THE WEEK IN INSURANCE

Fire underwriters, in reviewing 1932, find much to be thankful for; future promising. **Page 3**

Rumors of fire companies' premium finance pool plan persist despite officials' denial of knowledge of scheme. **Page 3**

Insurance taxes total \$95,484,000 in 1932, according to United States Chamber of Commerce. **Page 4**

R. R. Chapman is transferred from Chicago to San Francisco by the Corroon & Reynolds organization and is succeeded in Chicago by J. W. Knox. **Page 4**

Annual meeting of the Farm Underwriters Association will be held in Chicago Jan. 11. Farm commission reduction, which was to have been effective Jan. 1 of this year, is not put into effect. **Page 5**

Many changes in automobile underwriting in Cook county are expected to be instituted soon. **Page 4**

Mid-year meeting of the National Association of Insurance Agents will be held at Louisville the week of March 20. **Page 5**

Insurance as well as other lines of business is getting on a better basis so far as credit is concerned. **Page 3**

Much time of field men in the middle west is taken in talking over the life insurance situation with agents. **Page 5**

Companies hold meeting in New York to discuss the compensation insurance situation in New York state. **Page 28**

The premium income of the commercial and monthly premium accident and health companies for 1932 will be about 15 percent below that of 1931. **Page 27**

G. F. Michelbacher, vice-president Great American Indemnity, addresses meeting of American Statistical Association in Cincinnati. **Page 29**

Travelers in preliminary report indicates only about 29,000 persons killed in auto accidents last year, 14 percent less than in 1931. **Page 27**

National Bureau of Casualty & Surety Underwriters announces a new coverage, "outage" insurance. **Page 27**

Accident and health companies flooded with "flu" claims, but most disabilities are of minor duration. **Page 29**

Publicity Effect On Assured Seen

Local Agents Being Besieged by
Their Policyholders for
Information

SOLICITUDE IS NOTICED

Failure of a Few Life Companies Has
Caused Many People to
be Unsettled

Field men especially in the central west where there has been a lot of publicity over a few life companies failing find that many local agents are considerably worried over the life insurance situation and its effect on other classes. Therefore, when special agents visit a local office there is much conversation and considerable time is consumed as the agent seeks information and endeavors to get the slant of the field men. This publicity has not only affected life insurance but has caused solicitude in the minds of many assureds as to the solidity of their other insurance companies. The failure of the Illinois Life of Chicago and the attendant publicity of it, the internal squabbles among stockholders of the Missouri State Life and the collapse of two or three companies in Chicago that should have been closed many years ago have done much to unsettle public confidence. Many life insurance policyholders are querying their agents placing their casualty and fire insurance as to the standing of the life companies. In order to give correct information the local agents are seeking knowledge.

Causes of the Failures

A number of people in reading newspaper accounts take it for granted that the situation in life insurance is indicative of what may happen in the other lines. As a matter of fact, the life insurance failures have not been a surprise to those who were cognizant of the facts. The Illinois Life was linked up with the Hotel LaSalle and the Hotel Stevens in Chicago. If the Illinois Life had not been used to finance the Hotel Stevens it would be in excellent shape. The Hotel Stevens' securities should never have been allowed by the Illinois department.

The Old Colony Life of Chicago, which failed had been in bad shape for many years. The Chicago National Life, which was taken over by the Pacific States Life with a lien on all the policies, had been manhandled.

The Security Life with executive offices in Chicago was a Virginia corporation but it was exploited by the management.

Missouri State Fight

The Missouri State Life internal squabbles are due to an effort on part of a so-called Louisville interest to get control. Some 148,050 shares were purchased by Rogers Caldwell of Nashville and were held by the Inter-Southern Life of Louisville, which he owned. When Caldwell collapsed the Inter-Southern Life got into trouble and went into the hands of a receiver. The Kentucky Home Life was organized and its chief assets are these shares of the Missouri State Life. There were two elements in the Kentucky Home, the so-called Julius Barnes-Frank Cohen group, which own the Lloyds Insurance Company and the Shenandoah Life on the one side, and A. M. Greenfield of Philadelphia, who was formerly

Farm Commission Cut Not Put Into Effect as Slated

W. U. A. FAILS TO TAKE ACTION

Annual Meeting of Farm Underwriters
Association to Be Held in Chicago
Jan. 11

The annual meeting of the Farm Underwriters Association is to be held Jan. 11 in the Chicago Board Auditorium.

At the annual meeting last year in St. Charles, Ill., the Farm association voted to reduce commissions 5 percent effective Jan. 1, 1933. This was made contingent, however, upon the Western Underwriters Association taking similar action. The W. U. A. did not take such action and accordingly the commission reduction does not become effective.

Losses Have Declined

The western conference committee of the National Association of Insurance Agents held a meeting this summer with the farm committee of the Western Underwriters Association to discuss the commission question and subsequently many of the agency leaders assured their constituents that the commission reduction would not be put into effect. It is doubtful whether at the annual meeting of the Farm association this year the issue will be revived.

Farm losses in the west are reported to have declined somewhat in the last few weeks, but farm managers do not regard this improvement as anything more than temporary. The volume of farm premiums will probably be 20 percent less this year than last. This is due for one thing to the action of companies in cutting off unprofitable agencies, reducing insurance to value upon renewal and the inability of farmers to buy insurance.

Farm Mutuals Hard Hit

If the farmers were in a position to pay for insurance these days, the stock farm insurance people feel that they would have a tremendous advantage over local farm mutuals. Many of these farm mutuals are up against it. They are behind in their loss payments and in many cases are paying off losses to mortgagees in small installments. Commissioners are watching anxiously the situation among the small farm mutuals. Some of the commissioners have urged the farm mutuals to use a standard policy and increase their rates. Although these mutuals are losing caste among the farmers, the stock companies are not gaining, because many farmers just don't have the money to buy insurance. Very little insurance is being lost by the stock companies to the mutuals. The business that goes off the books of the stock companies is not insured at all.

One factor which is wholesome is the increasing sale of five year installment policies. It is easier for the farmer to meet the premiums on this basis and also it is better for the companies because the return commission is not so large. The companies have had a good deal of difficulty in collecting return commissions from farm agents.

the chief factor in the Commonwealth Casualty, on the other. There was a clash between these two interests, which brought unfortunate publicity to the Missouri State Life.

There are a few of the smaller life companies that are having hard sledding but as a rule companies well managed are standing up remarkably well notwithstanding the enormous amount of policy loans and surrenders they have had to pay.

The fire and casualty companies are in better shape than they were a year ago. They have been gradually pulling out of the morass and getting on more solid ground. There were very few companies at the end of the year that were in actual difficulties.

Van Schaick Renamed as New York Official

Governor Lehman of New York on taking office this week announced the reappointment of George S. Van Schaick of Rochester as superintendent of insurance for a term of two years. Mr. Van Schaick is one of the outstanding, able insurance commissioners of the country, who has made a name for himself in many ways. His reappointment will bring commendation from every hand.

South Dakota Demands Use of Actual Market Values

Commissioner Horswill has informed companies that the South Dakota department is not accepting the so-called convention valuation basis for stocks and that values as of Dec. 31, 1932, must be used in annual statements. Companies may use the amortization method on bonds not in default if they so desire, but market value as of Dec. 31 for bonds will be accepted.

Mr. Horswill states that if book values exceed market, or amortized values, the excess shall be deducted as a non-admitted asset, and not included in the liability column. This is necessary, he said, to reflect the true admitted assets as well as liabilities. Statements not filed in compliance will be returned for correction.

KIDD FOR CONVENTION VALUES

INDIANAPOLIS, Jan. 4.—Commissioner Kidd of Indiana approves the position taken by the National Convention of Insurance Commissioners in regard to valuation of securities and says the convention has taken notable steps forward in the past two years in the direction of establishing a fairer basis of valuation than has maintained in past years. He holds that companies should not be required to use market quotations as of Dec. 31, 1932, nor should they be allowed to use figures based on a grossly inflated market, such as that of 1929.

CALIFORNIA ACTION

Commissioner Mitchell has notified all companies operating in California that the basis of valuation of bonds and stocks outlined in the resolution adopted by the National Convention of Insurance Commissioners will be accepted, adding that "upon setting up the contingency reserves in the financial section of the annual statement, as referred to in the fifth item of said resolution, it is imperative that the insurance commissioner of California be notified by separate memorandum (not for publication) accompanying the annual statement, of the exact percentage of the excess of convention values over present existing market values, included in these reserves."

Announce Distribution of Insurance Loans by R. F. C.

WASHINGTON, Jan. 4.—The Reconstruction Finance Corporation received applications for loans from 11 insurance companies in November, five more than in October.

Since its establishment, the corporation has authorized 118 loans aggregating \$78,553,200 to 95 insurance companies, including 11 in Illinois, 10 in Iowa, seven in Texas, six each in Indiana, Michigan and New York; five each in Kansas, New Jersey and North Carolina; four in Missouri; three each in Alabama, Ohio and Pennsylvania; two each in Arkansas, Louisiana, Maryland, Nebraska, Oklahoma and Tennessee, and one each in Colorado, Florida,

Louisville Gets Mid-Year Meeting

Many Topics Before the National
Association of Insurance
Agents

SETS WEEK OF MARCH 20

President Charles L. Gandy Will Give
Report of the Administration
Covering Six Months

NEW YORK, Jan. 4.—As matters of unusual importance are scheduled for consideration at the mid-year meeting of the National Association of Insurance Agents, Louisville, being more centrally located than any of the other cities suggested as the gathering place, has been selected for the meeting, which will be held the week of March 20. The Brown Hotel will be the headquarters. In addition to its convenient location Louisville boasts one of the oldest and most virile local agency bodies in the country, which will act as official host at the forthcoming meeting. J. S. Long is president of the Louisville Board; C. E. Swope, Jr., vice-president, and L. E. Thieman, executive secretary-treasurer.

To Discuss Important Topics

Following the practice of former years the mid-year gathering will be given over wholly to the discussion of important topics. These will include production branch offices, compensation insurance, bonds on governmental and other public contracts, the blanket fidelity schedule of the Reconstruction Finance Corporation, inroads of marine general contracts on fire business, agency qualification laws and other insurance legislation, and the automatic cancellation of policies for non-payment of premiums.

Get Together Dinner

It is proposed the executive committee meet March 20, followed on Tuesday by full sessions for both National councillors and state association officers, with a joint luncheon at 1 o'clock. The only social affair scheduled will be the get-together dinner the evening of March 21.

The convention proper will start Wednesday morning, when President C. L. Gandy will submit the administration report covering the activities of the preceding six months, which will combine the reports of Executive Chairman A. I. Wolff and Secretary W. H. Bennett, as well as that of Mr. Gandy.

Report of the Administration

Informal reports, it is expected, will be offered by three conference committee chairmen: Past President P. H. Goodwin for the fire committee; G. W. Carter of Detroit for the casualty committee and Past President T. C. Moffatt for the surety committee.

While both New York City and Augusta, Ga., presented invitations for the gathering, the central location of Louisville, in addition to its other attractions, induced its selection as the place of meeting. Louisville has twice been honored as the convention city of the National Association; first in 1902, when G. D. Markham retired from the presidency, and again in 1919, which marked the retirement of E. M. Allen, after a two years' term.

Kentucky, Minnesota, Mississippi, North Dakota, South Carolina, South Dakota and West Virginia.

OUR HOPES FOR 1933

«»

WE HOPE that in 1933 insurance companies will buy their advertising in insurance papers on a strictly business basis.

We hope that in 1933 insurance companies will stop thinking about "the insurance papers", and begin to realize that there are a few good papers with a guaranteed, provable circulation, and a lot of insurance papers that haven't.

We hope that in 1933 it will be recognized that there is no substitute for an Audit Bureau of Circulations statement, and that any insurance paper unable to furnish one has something in connection with its circulation that it does not want to reveal.

We hope that in 1933 companies will get over the antiquated idea that if they advertise in a few of the good papers they will have to patronize all the rest; in brief, that they will understand that the days of blackmail in insurance journalism are over.

We hope that in 1933 the insurance papers with the most to offer in the way of advertising value will get the bulk of the advertising, and that the insurance companies will have the courage and common sense to spend their money as carefully when buying advertising in insurance papers as they do now when purchasing office supplies or any other necessary equipment.

We hope that in 1933 it will be seen that there are as many kinds of insurance papers as there are insurance companies, and that, when it comes to buying advertising, the wheat must be separated from the chaff.

(Number 27 of a series devoted to the merits of National Underwriter advertising)

«»

The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

NEWS OF THE COMPANIES

American Colony to Retire

Home of New York Takes Over the Entire Business of the Corporation

NEW YORK, Jan. 4.—Following its recent reinsurance of the outstanding liability of the Svea, Hudson and the direct writings of the Skandia, the Home has now taken over the business of the American Colony of this city, the latter company retiring from the field. As in the former arrangement, Sumner Ballard was intermediary in the more recent transaction.

Incorporated in 1926, after operating for 36 years under another title, the American Colony at the close of 1931 reported admitted assets of \$2,870,538, capital \$750,000 and net surplus \$688,631. Within the past month the capital was reduced to \$450,000. Writing automobile, fire, tornado, inland marine and riot and civil commotion business, the net premium income of the com-

pany in 1931 was \$721,866. Under the reinsurance agreement the Home and its allies have the right to use the title "American Colony Underwriters."

Illinois Lloyds Dissolved

The Illinois Lloyds, whose attorney in fact is Karl R. O'Hair of Paris, Ill., has discontinued the writing of business and dissolved as of Dec. 29, 1932. The Illinois Lloyds, as of Dec. 31, 1931, reported income, \$3,387; disbursements, \$5,968; assets, \$11,277.

Receiver Is Discharged

Circuit Judge Stone of Sangamon county, Ill., has entered an order discharging Alvin S. Keys as receiver for the First National Mutual Fire of Bloomington, Ill.

Miscellaneous Company Notes

The **Fireman's Fund** has declared a dividend of 75 cents a share for the last three months of 1932.

The **Continental** has declared a semi-annual dividend of 60 cents payable Jan. 10 to stockholders of record Dec. 30.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

GET INCOME TAX REFUNDS

Among those receiving refunds from the federal government on their income tax payments are the following insurance companies: Aero Indemnity, \$1,872; Allied Mutual Liability, \$78,689; American Equitable, \$4,326; Baltimore American, \$10,030; California, \$3,312; Continental, \$5,203; Corroon & Reynolds, \$1,254; First Russian (in liquidation), \$62,410; Fuso, \$3,804; Home Fire Securities, \$1,136; National Liberty, \$7,299; New York Fire, \$1,628; Ocean Accident & Guarantee, \$130,335; Sea, \$1,185; Skandia, \$5,623; Skandinavia, \$2,058; Stuyvesant, \$7,900; U. S. Merchants & Shippers, \$5,027; Yorkshire, \$4,683; Commercial Travelers Mutual of Utica, \$19,704; Merchants Mutual Casualty of Buffalo, \$9,237; N. J. Fidelity & Plate Glass, \$1,329; Universal of Newark, \$2,026; Aetna Casualty, \$4,176; Orient, \$1,481; Security of New Haven, \$1,139; Commonwealth Casualty of Washington, D. C., \$34,449; Hare & Chase, Philadelphia, \$67,800; National Life & Accident, Nashville, \$36,720, and the Vermont Mutual Fire, Montpelier, \$12,761.

* * *

TAKE UP N. J. CHARTER QUESTION

A special committee appointed by the Insurance Brokers Association of New York will confer with the New Jersey department in regard to the latter's demand that New York brokerage corporations operating in New Jersey file their charters at Trenton with a charge of \$100 or more. The matter may be taken to court.

According to Deputy Commissioner Gough, the New Jersey department will not back down on the \$100 fee for any broker doing business in the state, regardless of where the broker may be located.

* * *

LILLY TALKS TO FIELD MEN

G. W. Lilly, manager Fire Companies Adjustment Bureau, the main speaker before the January meeting of the New York Suburban Field Club Tuesday, discussed conditions in loss adjusting and suggested channels for curing various ills. The establishment of the bureau was primarily to improve revealed shortcomings. Loss adjusting is one of the most important phases of the insurance business and as such should be put on a sound ethical basis. This can be done by the cultivation of a proper public attitude and by close cooperation of field men. These latter are in intimate touch with field conditions and can be an influential factor

in the development and progress of claim settlements. Every field association, in Mr. Lilly's opinion, should have a loss committee. This would aid in the discriminating assignment of claims. Public attitude, he held, is a major factor in the adjusting of losses. The insurance companies are constantly weighted down with obnoxious legislative bills which must be opposed. The policy of the adjustment bureau is to correct the conditions which exist and to put the business on a more secure foundation. It is through cooperation of the field men that a better relationship can be reached and a definite cure effected. At the conclusion of the meeting, Mr. Lilly was voted honorary member of the club.

PUBLIC FINANCES A PROBLEM

Company officials are concerned over the financial plight of a number of communities throughout the country which are unable to balance their budgets. Fear is expressed that in the effort to effect economies municipalities may be tempted to curtail their fire fighting forces to the danger point. There also is some speculation whether companies will be able to collect premiums if they accept substantial lines on public properties in such cities.

* * *

CAN EXAMINE RECORDS

In a case where the issue was whether a fire policy was in force at the time of a fire or had been previously canceled, the burden of establishing that it was in effect is on the assured. He is entitled to an examination of the company on this matter in advance of the trial, according to a decision of Justice Ryan of the city court of New York City in *Minsky vs. Seaboard F. & M.*

The Seaboard interposed a defense that its policy had been canceled before the fire. The assured applied for an examination before the trial relative to whether the policy was in force at the time of the loss. The company opposed the application, taking the position that it had the affirmative of the issue of whether the policy had been canceled, the rule being that examination will be granted only to the party that has the burden of proving the issue involved.

Percy Webb, for many years manager of the McManus-Webb Insurance Agency, Sioux City, Ia., who sold out five years ago to W. W. Bennett, has reentered the insurance business there as general agent for the Occidental Life of San Francisco. His daughter, Miss Harriet Webb, in the same office with her father, will conduct a general insurance agency.

A FRIENDLY TRIBUTE TO NEW YORK The EMPIRE STATE



•Top: An unusual view of the New York City skyline framed under the arch of Brooklyn bridge. •Lower left: Beautiful Lake George in the Adirondacks—Queen of American waters. •Lower right: Niagara Falls, the greatest scenic attraction in America. Lower photos courtesy Bertrand T. Fay, Albany.

SIXTEEN HUNDRED AND NINE marks the beginning of history for New York. That year Champlain discovered the lake now bearing his name and Hudson entered New York Bay and claimed the land for the Netherlands. Dutch settlers came. In 1624 the famous bargain of history took place—Peter Minuet bought Manhattan Island from the Indians for \$24. Twenty-nine years later the population of New Netherlands was 800. That year the Dutch during war with the English built a wall in the same location as present Wall Street. Thus, this famous street received its name. In 1664 when the English came in possession the name was changed to New York. The New York Gazette, the first New York newspaper, was established in 1725. The important part played during the Revolutionary war by New York, one of the original 13 states of the Union, is well known. New York increased in population and importance year after year until today it is truly an Empire State ranking

first in population
first in wealth
first in the value of its manufactured products
first in dairy and live stock products
a port second to none

New York is a fairy land of scenic beauty with thousands of lakes and playgrounds in the famous Adirondacks and the Catskills Mountains of Rip Van Winkle fame. Lake Placid, of recent Olympic winter sport fame; Saranac Lake, Lake George, Lake Champlain, Niagara Falls, Finger Lakes, Forest Hills, Jamaica and Saratoga Springs all recall vivid memories to the vacationist and sportsman.

Ticonderoga of Ethan Allen days; West Point, established in 1794, cradle of the Nation's military commanders; Cooperstown with its leather stocking tales; Newburgh and its famous Storm King Highway; Albany, capital of

the state and Rensselaer where Yankee Doodle was written, stand out as historically important cities.

Intermingled with all this scenic and historic background is an unequalled industrial empire. New York City, the leading industrial center of the country, leads in printing, publishing and clothing. Other important New York towns and their products are:

Rochester—Kodaks and clothing
Buffalo—Important lake shipping center
Utica—Fire arms, knit goods
Schenectady—Electrical products
East Aurora—Albert Hubbard's work shop
Troy—Collars

New York Agents of the Eureka-Security Fire & Marine are impressed with the sound protection and prompt, equitable claim policies of this company. They know the same progressive standards and common-sense business practices that have so safely guided this organization for the past 69 years will continue in the future.

No Eureka-Security Fire & Marine tribute to the Empire State would be complete without paying gratitude to this company's first general agent in New York State, a man whose unlimited energy and patience soundly planted this company, Mr. Percy B. Dutton, of Dutton's Insurance office, Rochester, whose local agency still represents this company.

The Metropolitan and Suburban New York territory is handled by

Bininger & Greene, Inc. A. F. Shaw & Co.
General Agents and General Agents Inland
88 Maiden Lane, New York City 75 Maiden Lane, New York City
New York State Agent
Geo. H. Reuter
P. O. Box 299, Syracuse

Inquiries from New York Agents will be promptly answered.



The Eureka-Security Fire and Marine Insurance Company

Established 1864
CINCINNATI, OHIO

LARGE ENOUGH
To write lines liberally

SMALL ENOUGH
To give individual attention

YOUNG ENOUGH
To grow by giving service

OLD ENOUGH
To have profited by experience



During the Last 18 Years

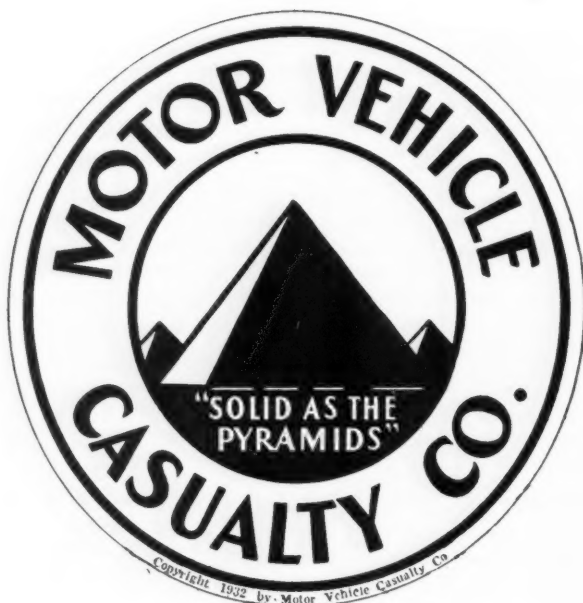
this organization has continually personified

Prompt and full payment of just claims

Cooperation with brokers and agents

Service with efficiency and courtesy

Sound protection



Home Office

223 W. Jackson Blvd., Chicago, Illinois
A STOCK AUTOMOBILE COMPANY

Company-Operated Offices Compete with the Agents

INTERESTING ISSUE ARISING

Trustee and Committee Plan in Maintaining Delinquents Is Causing Embarrassment in Some Cases

Some agents that have paid their balances promptly are questioning the effect of offices in their localities that are in the hands of trustees or are otherwise operated by companies, due to the fact that it seemed necessary to protect themselves on account of delinquencies. The point is made by the agents that have been prompt in their remittances that they are now confronted in local competition with company owned or company operated local agencies. They argue that this gives these local agencies a standing that they did not have before. The public gets the idea that such offices have been materially strengthened and therefore they are in far better position than they have been in the past.

The prompt paying agents declare that this introduces unfair competition in a way that has not existed before. Frequently an agent finds himself in competition with a company operated agency where a member of a fleet with which one of his companies is affiliated is represented. Some of the agents that have been able to take care of their obligations feel that they are being penalized for prompt payment through this new form of competition. The matter is receiving considerable attention on part of agents who during the year have found that this competition really cuts a considerable figure. Some offices have brought the matter to the attention of their company headquarters, asking for an expression of opinion as to how far this practice may go.

Fort Dearborn Is Arranging to Reinsure Missouri Risks

The Fort Dearborn of Chicago is negotiating for the reinsurance of its Missouri business, which amounts to about \$200,000. The E. D. Larue agency of St. Louis, which has been representing the Fort Dearborn and the Lloyds America of San Antonio in eastern Missouri, is a big factor in the deal. Just recently all of its automobile liability business over \$1,000/2,000 was reinsured in the International Reinsurance and property damage in excess of \$1,000 limits also in the International.

R. N. Wyckoff, vice-president of the Fort Dearborn of Chicago in charge of the liability department, has resigned, due to the company reinsuring all but small limits in the International Reinsurance. Mr. Wyckoff has been, and continues, connected with the Chicago insurance law firm representing the Fort Dearborn.

New Handbook for the Dakotas Now Published

The Underwriters' Handbook of North and South Dakota, published by THE NATIONAL UNDERWRITER, is off the press. This is a book that gives complete information insurance-wise concerning the two states. It has 362 pages, which indicates the scope of insurance in these states. Aside from the directory proper giving the names of agents and their companies in all points, there are many excellent reference features such as a digest of the insurance laws, company affiliations of casualty and fire companies, list of general agents, managers and field men, information as to insurance organizations, statistics of insurance in the two states, etc.

Here's a State Where Companies Get Refund

NEW ORLEANS, Jan. 4.—The Louisiana insurance commission spent \$3,749 less than the amount paid for its maintenance for the year ending Sept. 30 by insurance companies doing business in the state. The money was returned to R. P. Strong, general manager of the Louisiana Rating & Fire Prevention Bureau, which acts collectively for the companies. The latter are required by law to pay expenses of the commission.

Credit Extension Being Curtailed

(CONTINUED FROM PAGE 3)

the business will feel it for some time to come. Field men giving so much time to collections have gotten out of the habit of constructive thinking along business building lines. Local agents in turn have had to give much time to collections. Perhaps as much of their day is devoted to this effort as that of the field men in collecting balances.

Local agents who are carrying on have learned a thing or two and they are putting their houses in order and eliminating as far as possible free insurance. Where field men have found agents far back in their payments it has been discovered for the most part that their premiums were pretty well collected. That has meant that the agents have used company money for their own personal obligations. Some companies are going as far as they can in insisting that an agent keep a separate account of company money, or at least that his contract carry a trust obligation.

Scan Agency Appointments

During the last six months many companies sent out instructions to field men to cancel agencies that seemed hopeless and chronically delinquent. This resulted in a number of companies cutting down the number of their agents but in the long run it has proved beneficial.

So far as new agency appointments are concerned, a number of companies are getting a credit report even where the field man has investigated and recommended an appointment. Appointments are being scrutinized and studied. If there is any doubt as to the ability of the applicant to pay, the recommendation of the field man is rejected. It is sometimes found that an agent will put up a very good plea to the field man and he may be misled. A careful investigation by a trained investigator brings out unsatisfactory financial conditions. It is discovered, for example, that the applicant has not paid the companies he has represented and they have canceled the agency.

The companies and the agents too are entering the year on a more solid basis even if the situation is far from satisfactory. Some improvement has been made along credit lines during the year and that is gratifying.

Finds Blanket Form Profitable

RICHMOND, VA., Jan. 4.—Bernard P. Carter of the Gordon, Brown & Carter general agency here has been having great success in selling blanket form coverage to schools throughout Virginia and North Carolina. He aided his agents in presenting the advantages of full protection by appearing before school boards and working out insurance budget programs. More than \$30,000 in additional premiums have been written in the last year on this business alone.

AS SEEN FROM CHICAGO

FIREMAN'S FUND CHANGE

The Fireman's Fund, which has been represented in the Engelhard-Krogman & Co. agency of Chicago since the formation of that agency, is transferring that representation to the R. W. Hyman & Co. agency. In place of the Fireman's Fund, Engelhard-Krogman & Co. is taking the Home Fire & Marine of the Fireman's Fund group.

* * *

WILL SPEAK IN PULLMAN

"Safety and Fire Prevention in Industry" will be dealt with by R. E. Vernon, manager of the fire prevention department of the Western Actuarial Bureau, in an address before the Greater Pullman forum meeting, Jan. 9, in the Palmer Park field house. The group to be addressed at this time by Mr. Vernon is composed mainly of foremen and key employes from industrial plants in the Greater Pullman district.

* * *

BLUE GOOSE MEETING

The meeting of the Illinois Blue Goose, which will be addressed by C. F. Thomas, manager of the Western Underwriters Association, will be held Jan. 9 and not Jan. 10 as was incorrectly stated. Mr. Thomas will discuss the new delinquent agency balance rule, which has been adopted by the Western Underwriters Association, and the limitation of policy forms.

* * *

WESTERN ADJUSTMENT TRANSFER

W. A. Rodman of the Aurora, Ill., office of the Western Adjustment, has been transferred to Madison, Wis., where he will succeed A. L. Heiam as manager at that point, Mr. Heiam having been transferred to Minneapolis as a staff adjuster. Mr. Rodman is a thoroughly competent and seasoned adjuster of over 11 years' experience. His initial start was at Duluth from which office he went to Paducah, Ky., in 1927. He opened the Aurora office in the fall of 1931. Mr. Rodman will be succeeded at Aurora by M. H. Wallace, for a number of years assistant in the Rockford, Ill., office. Adjuster C. J. Casper of Evansville, Ind., has been moved to Rockford, Ill., to fill the vacancy at that point.

* * *

KOMAIKO INCORPORATES AGENCY

S. B. Komaiko has incorporated his class 1 agency in Chicago as S. B. Komaiko & Co., of which he will be president and Andrew Geier, treasurer. Mr. Komaiko has been prominent in Chicago insurance circles for 22 years and Mr. Geier has been associated with him for ten years. The agency, which is located at A-1528 Insurance Exchange, represents the American Union, Merchants & Manufacturers Fire, London & Provincial, New Century Casualty and Occidental.

* * *

CHANGES MEETING PLACE

The Cook County Field Club has changed its meeting place to the Atlantic hotel so as to be nearer the Insurance Exchange. The next meeting will be held at noon on Monday, Jan. 16. The speaker will be Prof. Fred Merrifield of the University of Chicago. His subject will be "America's Place in World Understanding."

* * *

SEELEY IN BLOOM AGAIN

A new tax storm raised in Chicago apparently blew over this week, when the board of tax appeals referred the matter back to the assessor for a report on how he arrived at his figures. He is to report back on Jan. 9. This procedure, seemingly technical, paves the way for substitution of correct figures on net premiums in Chicago for the estimates prepared with the assistance of H. B. Seeley, the

eminent tax ferret, who has caused the companies so much trouble in the past.

Taxes amounting to from \$50,000 to \$100,000 are at stake in the controversy over the taxes on net receipts of foreign companies in Cook county for 1931. The main controversy is on the taxability of the premiums on "side lines." The companies have never disputed the tax on

fire, marine and inland navigation premiums. Under the tutelage of Seeley the assessor's office made its own estimate of Cook county premiums on the "side lines," using the annual reports of the companies filed at Springfield as a basis. This method raised the assessments of some companies as much as 150 percent. It also resulted in assessing some companies in Cook county that had not written a dollar of business there.

At the hearing before the board of tax appeals it was apparent that the assessment was a mess, and did not give the companies any chance to check the fig-

ures. The assessment technically is on agents, but on the method used the entire arbitrary assessment was put on one agent. The main question was how to straighten things out and the reference back to the assessor was adopted as the most feasible plan.

Another question was on the deduction for expenses. The assessor allowed 30 percent off the premiums for expenses in Cook county, while the companies demand 20 percent more for overhead. Probably in the work-out actual expenses will be used.

A big question not discussed, and

Western Service and Cooperation Help Agent Increase Business

Jas. B. Hill, St. Louis, a Western Agent for 22 years, shows 14% increase last two months

Read Mr. Hill's letter

GENERAL AGENTS:
Western Casualty & Surety Co.
Western Fire Insurance Co.
Jas. B. Hill Insurance Agency
Title Guaranty Building
St. Louis, Mo.,

December 31, 1932.

Mr. Ray B. Duboc,
Western Insurance Companies,
Fort Scott, Kansas.

My dear Mr. Duboc:

Our figures for the last two months show that we have had a gain of 14% over the same two months in 1931. This is a legitimate gain, not any large policies nor anything out of the run of our general business. There has been an increase in fire, casualty, automobile liability and property damage.

The cancellations have been much less lately so it looks like the silver lining is coming once more.

This gratifying increase in our business during times like these can be definitely traced to --

- (1) The excellent showing made by the Western Insurance Companies this year.
- (2) The high standing condition of the Company, St. Louis.
- (3) The sound financial claim and underwriting service.
- (4) The unexcelled claim and underwriting service.
- (5) The splendid co-operation we have always received from the Home Office.

Sincerely yours,

Jas. B. Hill
JAS. B. HILL INS. AGENCY

"You'll like
Western
Service too"



JBH:MF

**WESTERN
INSURANCE COMPANIES**
The Western Casualty & Surety Company
The Western Fire Insurance Company
Home Office, Fort Scott, Kansas



Agents interested in representing the kind of a company Mr. Hill speaks of should write the Home Office.

MAGNITUDE or SERVICE?

It became a national habit—this Superman, Super-Size, Superlative Stuff we used to flaunt on every hand.

Even the shrewdest of us was impressed by size—and then we found out suddenly that size had nothing to do with either financial responsibility or service.

We discovered that exterior appearance was nice—but we wanted to know something about the men and service behind the "big front."

Then we found out there was a happy medium between size and service: "Not too large to lose personal contact—nor too small to accept full responsibility and handle all business successfully."

And there, one of our agents said, "You have The Kansas City Fire and Marine Insurance Company well defined!"

Organized and
managed by R. B.
Jones & Sons Inc.,
Kansas City,
Chicago

Kansas City Fire and Marine Insurance Company

Insurance Exchange
Chicago, Ill.

Kansas City, Mo.
Federal Reserve Bank Bldg.

A Distinctive Address
IN WASHINGTON D.C.

Centrally located in the heart of the Shopping and Theatre district and convenient to all Government buildings and Washington points of interest.

300 ROOMS
WITH BATH—**\$2.50**

One dollar extra for each additional guest

HARRINGTON MILLS President
DOUGLAS C. SHAFFER Manager

Excellent cuisine in restaurant. Fireproof garage—24 hour service.



HOTEL HARRINGTON
ELEVENTH AND "E" STREETS NORTHWEST

which apparently cannot be handled by the appeal board, is the fundamental one of whether the premiums in question are taxable at all. This will probably go through the courts.

* * *

CHICAGO PREMIUMS LISTED

The Cook county fire, tornado and sprinkler leakage premiums for the first half of 1932, as reported to the Chicago Board, amounted to \$8,700,593, as compared with \$10,911,040 the first half of 1931 and \$13,543,311 the first half of 1930.

By groups, the writings for the first half of 1931 and 1932 were as follows:

	1931	1932
Aetna Fire	\$293,983	\$224,662
Agricultural	68,979	59,557
American	172,354	141,213
Atlas	95,381	78,885
Automobile	184,209	144,756
Boston	64,750	58,182
Corroon & Reynolds	164,030	83,127
Caledonian	116,918	89,552
Commercial Union	211,701	258,702
America Fore	490,498	414,947
Dubuque F. & M.	176,712	157,141
Lincoln	94,258	55,362
Fire Association	184,763	137,936
Fireman's Fund	204,779	144,045
Firemen's	447,119	375,270
General of Seattle	30,601	12,293
Glens Falls	182,537	161,679
Globe & Rutgers	140,517	87,198
Great American	280,308	210,807
Hanover	84,792	75,000
Hartford	396,000	348,827
Home	590,900	442,224
North America	478,352	426,484
London	112,639	93,672
London & Lancashire	391,924	201,059
Lumbermen's	62,604	51,695
Merchants of New York	150,213	131,756
National	293,058	262,047
National Union	75,162	23,728
New Hampshire	68,890	59,600
North British	305,878	281,836
Northern of London	121,735	96,646
Norwich Union	79,562	52,135
Meserole	107,617	76,245
Phoenix of London	175,310	165,532
Phoenix of Hartford	304,212	279,303
Providence Washington	91,617	68,125
Rhode Island	147,480	93,746
Royal Exchange	42,995	55,385
L. & L. & G.	273,530	220,973
Royal	269,116	290,105
St. Paul	134,899	101,145
Scottish Union	160,399	115,657
Security of New Haven	91,270	67,404
Springfield	237,458	207,572
Tokio	100,896	79,768
Stuyvesant	52,799	24,692
Sun	131,326	121,229
Svea	53,989	41,857
Crum & Forster	345,848	257,915
Yorkshire	62,482	38,633

Among the leading independent companies the experience for the first half of 1931 and the first half of 1932 was as follows:

	1931	1932
Buffalo	\$52,676	\$41,717
Camden	52,086	36,090
Century of Scotland	25,395	22,150
Employers	42,301	16,791
Eureka Security	24,694	21,692
Farmers of York	32,211	22,666
Fidelity & Guaranty	66,655	79,726
Illinois	19,677	16,745
State of Pennsylvania	54,233	43,922
Millers National	33,423	22,115
Monarch Fire	31,129	21,022
Northern of New York	65,184	45,355
Northwestern National	174,815	143,137
Pioneer	48,627	48,636
Potomac	49,375	27,575
Public	39,360	40,108
Reliable	21,627	17,999
Security of Iowa	39,715	40,212
Standard of New Jersey	41,989	31,868
Travelers	90,515	82,442
Trinity Fire	16,242	7,664
Universal	11,523	42,230
Western of Kansas	20,069	14,891

* * *

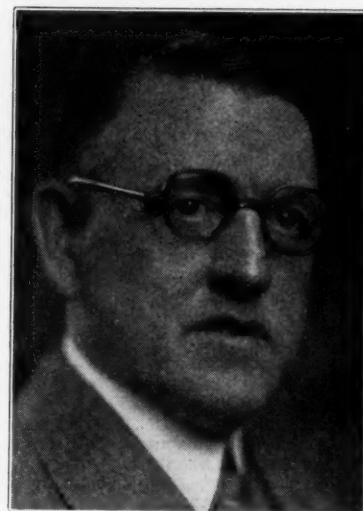
T. J. BYRNE'S VIEWS

T. J. Byrne of the Chicago local agency of Byrne, Byrne & Hahn takes a rather novel position for an agent in that he sees the desirability of less commission and a reduction in rates in order to meet mutual competition. Mr. Byrne says:

"Mutual competition on fire insurance is admitted to be a sore spot with local agents today. Based on 32 years' experience in the insurance business, we see but one logical remedy—lower rates and less commission to the agent."

"The present high commissions to local agents have two deleterious effects: first, it renders it difficult to close a sale in the face of competition, and, secondly, it brings into the insurance business many part time, unskilled semi-agents doing business on their cuff. These shoe-string agents, knowing very little about insurance, being in the business only because of the high commissions they can 'pick up on the side' are en-

Returns to Chicago



JAMES W. KNOX

James W. Knox, who was formerly assistant manager of the Netherlands and vice-president of the Great Lakes of Chicago, is returning to the city, having been appointed Cook county manager of the Corroon & Reynolds companies, of which he is secretary. He succeeds R. R. Chapman, who becomes general agent in San Francisco. Mr. Knox arrived in Chicago last week.

tirely unfitted to carry the message of insurance, and they do the business of insurance incalculable harm. The insurance business has black-eye enough with the general public on account of practices of certain unscrupulous and fly-by-night insurance companies, without having certain agents of reputable insurance companies blacken the other eye.

"If commissions to the agent were lower, we should have fewer agents but those who remain would know their business and would be worthy representatives of a great institution. These agents that remain, moreover, would undoubtedly make up in volume what they lose in commission on the individual case. As the situation now stands the average agent spends half his time holding his business on account of competition, whether mutual or stock. If commissions and rates were decreased competition would be reduced to a minimum and the local agent would have double the time to solicit new business. We say reduce rates, reduce commissions, eliminate the light weights from the insurance business and cut out mutual competition."

* * *

R. J. Champlin, who had been an employee in various insurance offices in Chicago for more than 40 years, died at his home in Oak Park, Ill. He was about 65 years of age. Until a few weeks ago he was connected with the Western Sprinkled Risk Association. Before that, for many years, he was supply man for the western department for the National of Hartford. At one time he was connected with the western department of the Connecticut as supply man and for a time did field work in Cook county. He started in the supply department of the Continental in the west.

Hold Field Meeting in Omaha

Field men of the Grain Dealers National Mutual from states west of the Mississippi river held a three-day meeting last week in Omaha, with C. R. McCotter, western manager and assistant secretary, in charge. A sales congress and discussion of company plans and policies formed the principal activities.

H. K. Corbin, first vice-president of the Fidelity Union Trust Company of Newark, was elected a director of the American of Newark to fill the unexpired time of Charles Niebling, resigned.

Premium Finance Pool Still in Air

(CONTINUED FROM PAGE 3)

effort given by field men in trying to round up the overdue balances, the most perplexing problem confronting the business today.

When the scheme of premium financing by outside corporations was first considered at an informal conference in this city early last year, some of the executives were not slow in voicing the preference that if this were to be undertaken, it had better be by individual offices (there was no mention of a general pooling arrangement at the time), attesting that a diversity of opinion existed even then.

One angle of the general proposition from the local agency standpoint is set forth in a communication from the George Dietrich Co. of Rochester, N. Y., to three of its prominent companies and to Superintendent Van Schaick, emphasizing that many of the older city agencies have been too lenient, allowing balances to run as much as a full year. Some home offices have approved this practice by extending long credits to general agents, and this has been costly, especially in the last two years.

Mr. Dietrich believes the system should be changed, perhaps on the companies' initiative. He urges his companies and the Eastern Underwriters Association to deliberate seriously on the proposal to insert a clause in the fire policy, and in all kinds of policies issued by fire companies, that unless the premium is paid within 30 days from date of issuance the policy automatically would be canceled. If desirable, the period might be 45 or 60 days, but Mr. Dietrich believes there should be some "grace" period.

Prospects for Year Just Started Not Discouraging

(CONTINUED FROM PAGE 3)

types of risks, previously regarded as exceptionally desirable and eagerly competed for by all companies. That moral hazard was responsible for this condition is the firm conviction of underwriters; though how to alter it is a poser.

There is no dissent from the assertion that rates upon many classes of risks and in various sections of the country are entirely too low and will have to be advanced.

Experience with the automobile writings of fire companies has not been unfavorable, save only as respects finance accounts. On these, because of the moral hazard created through the inability or unwillingness of car owners who purchased machines on the time payment plan to make full settlements, the loss experience has been unsatisfactory. The general premium income on automobile insurance in 1932, it is predicted, will show a falling off close to 20 percent.

Old Problem Carried Over

The clash of interest between fire and marine companies over inland marine coverages still exists and is one of the perplexing problems handed by the old year to its successor.

Relations between companies and agents, it may truthfully be said, show improvement, local representatives being convinced of the desire of executives to cooperate with them in every possible way. Evidence of this was the appointment of a special managerial committee to confer with representatives of the agency body on all matters of common concern. The two interests are now at work on an agency qualification measure, which is intended to serve as a model for legislation in all states not having such statutes. Consideration is likewise being given various other subjects in which companies and local representatives have a positive interest.

Unless all present signs prove faulty,

the year 1933 will be marked by a slow though steady increase in premium income. Changing conditions in the economic and industrial fields, some of which may prove to be radical in character, will require constant and intelligent thought of fire underwriters both in office and field, to pilot their business safely through the next 12 months.

Meet at Edgewater Beach

The Edgewater Beach Hotel, Chicago, has been selected as headquarters for the annual meeting of the National Convention of Insurance Commissioners, June 1-3. Because of the meeting being

held during the Century of Progress exposition in Chicago, Secretary Jess G. Read is urging commissioners and others who contemplate attending to make reservations early.

Advertising Committees Named

S. F. Withe, president of the Insurance Advertising Conference, has announced the following committee appointments: Publicity, R. W. Smiley, Royal-Liverpool group; exhibit, J. A. Young, Monarch Life of Springfield, Mass.; convention, Nelson Phelps, Northwestern Mutual Life; frontier

safety, R. G. Richards, Atlantic Life; standards of practice, H. H. Putnam, John Hancock Mutual Life; safety, H. A. Warner, Maryland Casualty; pirating of names, C. S. S. Miller, North British & Mercantile; Century of Progress, H. V. Chapman, Ohio Farmers; educational, Bart Leiper, Pilot Life of Greensboro, N. C.; speakers, L. A. Jacobs, Southland Life of Dallas.

Birmingham Losses Low

BIRMINGHAM, ALA., Jan. 4.—Birmingham's fire loss for 1932 was less than \$525,000, the lowest in several years. The 1931 loss was \$800,021.

"Why didn't you tell me about A.D.T. Service?"



The story behind A.D.T. Central Station services is being told to 300,000 executive readers of "Nation's Business." They are told about systems that cut overhead; minimize fire hazards; replace watchmen; insure continuity of business; safeguard intangibles; provide greater protection to property and enable underwriters to

carry larger lines of insurance.

A.D.T. Central Station Watchman and Sprinkler Supervisory services, as well as Automatic Fire Alarm systems, are being consistently recommended by insurance men who are out for new business and who know how to safeguard the old. These men know, too, that A. D. T. Service is insurance for insurance companies.

A. D. T. representatives are always glad to confer with insurance men—make them your consultants—your assistant salesmen!



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CHANGES IN THE FIELD

Joint Field Man Is Now Used Pollock Going With London

D. C. Brown Is Representing Fireman's Fund in South Dakota as Well as Fire Association

The Fire Association and the Fireman's Fund are conducting an interesting experiment in South Dakota by employing a joint field man in that state. Donald C. Brown of Fargo, who has represented the Fire Association for eight years in South Dakota, as of Jan. 1 started also to represent the Fireman's Fund. Henry L. Larson, South Dakota field man, Fireman's Fund, resigned.

W. E. Mallalieu, Jr.

W. E. Mallalieu, Jr., is being transferred from the Illinois field by the Home of New York to northern New Jersey under State Agent S. A. Mehoffer. Before traveling in Illinois, Mr. Mallalieu was in the state of Washington field. He is a son of the general manager of the National Board.

Former Svea State Agent in Michigan Takes Same Field for Another Group

John D. Pollock has been appointed Michigan state agent for the London Assurance and its affiliates, the Manhattan F. & M. of New York, and Union of Paris. He will have immediate supervision over the Wayne county district, replacing F. W. Graham, resigned. Mr. Pollock has since 1921 been state agent for the Svea-Hudson group in Michigan and has a long and creditable record in the business. His early experience was with the Illinois Inspection Bureau, subsequently in rating schedule work in Minnesota, with the Waterworth Bureau in St. Louis and Kentucky Inspection Bureau. He was the state agent in Illinois for the Northern Assurance and from that connection went with the Starkweather & Shepley fleet at Providence, represent-

ing the group companies in five middle western states, until his connection with the Svea was established. From his office in Detroit, he will service the counties of Wayne, Oakland, Washtenaw, Monroe and Macomb.

Meeker Joins National Union

State Agent of the Svea Group in Wisconsin Makes a New Connection

Robert K. Meeker, until recently associated with the Svea and Hudson as state agent covering Wisconsin, northern Illinois, Iowa and Missouri, has joined forces with the National Union Fire as state agent for Wisconsin with headquarters at 537 North Water street, Milwaukee. Mr. Meeker is well and favorably known in the Badger state, having been associated with the Svea group for the past ten years. His early experience was gained as an examiner in the western department of the Security of New Haven at Rockford, Ill.

E. A. Winter

E. A. Winter, Cincinnati, has tendered his resignation as state agent in Ohio for the National Liberty and affiliated companies. He has not announced plans for the future though he will continue to operate his local agency in Cincinnati.

V. D. Wenger

V. D. Wenger, who has been traveling northern Illinois and northern Indiana for the Commercial Union with headquarters in Chicago, has been transferred to Indianapolis for that group. He will hereafter travel the entire state of Indiana for three of the Commercial Union companies. D. D. Fitzgerald, who has been Indianapolis state agent for the American Central, will now travel the state for the three other companies in the fleet.

A few weeks ago W. J. Henshaw, special agent in Indiana for the Commercial Union, resigned to join the George W. Pangborn general agency in Indianapolis.

Ralph Searle

Ralph Searle, who for three years has been special representative for the Royal group with headquarters in Chicago for the development of special lines throughout the west, is being transferred to Cleveland. He will travel Ohio, Kentucky and Tennessee, stimulating the production of explosion, use and occupancy and other allied fire lines. Mr. Searle has been successful in this specialized production work and it was found that his services could be more effectively employed by permitting him to concentrate in a more limited field. He has been especially active in the development of explosion insurance.

Before being assigned to Chicago as special representative, Mr. Searle was state agent for the Royal in Oklahoma. He is a native of Ohio.

Herbert E. Soward

Herbert E. Soward has been appointed special agent of the general cover department for the America Fore companies in their western branch office at Chicago. He was formerly connected with the America Fore in the west, being in the improved risk department. He then went with the western office of the Queen and when that department was moved to New York he was transferred to the metropolis.

G. A. Rydquist

G. A. Rydquist of Chicago, special agent of the General, First National and General Casualty of Seattle in Illinois and Indiana has resigned. He has been with the organization for some seven years and formerly traveled in all central west states.

Nebraska Fire Underwriters Adopt Uniform Balance Rule

OMAHA, Neb. Jan. 4.—The Nebraska Fire Underwriters Association at its first meeting of 1933, Tuesday, with 62 present, adopted a uniform balance rule and a new plan for cooperation on credit information, effective at once.

President W. H. Lindquist reported that collections are well in hand and expressed the belief that the new uniform balance rule will be of great value, stressing its importance in protecting the solvency of good agencies.

Severe criticisms were made of the Nebraska valued policy law. New legislation will be sought to correct the evils which have arisen under it.

Thomas J. Cornelius Dies

Thomas J. Cornelius, general adjuster for the Springfield Fire & Marine with headquarters at Kansas City, Mo., and jurisdiction in Missouri, Kansas and Nebraska, died of a heart attack Tuesday afternoon. He was 72 years of age. He was first stricken in his office Saturday.

Mr. Cornelius' association with the Springfield goes back to 1890, when he was appointed local agent at Ardmore, Indian Territory, by W. H. Lininger, now western manager of the Springfield. At that time he was deputy United States marshal at Ardmore. Later he was appointed special agent in Oklahoma and Indian Territory and still later state agent in Texas. In 1903 he was transferred to Kansas City as general adjuster succeeding William Fulton.

Mr. Cornelius was a native of Everett, Pa. His mother, a woman of 95, is still living there.

I. U. B. to Meet Jan. 16

NEW YORK, Jan. 4.—When the recently appointed governing committee of the Interstate Underwriters Board meets Jan. 16, among other matters to be acted upon will be the election of a chairman for the new year.

Ralph Rawlings' Mother Dead

Mrs. Elsetta Rawlings, mother of Ralph Rawlings, president of the Monarch Fire of Cleveland died at Urbana, Ohio, Christmas morning. She was 94 years of age.

Boston Agencies Merge

The Boston agencies of Boit, Dalton & Church and of W. A. Hamilton & Co. have been combined as Boit, Dalton, Church & Hamilton. The new agency is occupying quarters in the Public Service Building and is maintaining a New York office at 85 John street.

Chicago Board Nominees

L. E. Yager, who for two years has been vice-president of the Chicago Board, is the choice of the nominating committee for president of that organization, the election to be held Jan. 26. Charles Buresh of Fred S. James & Co. is nominated for vice-president and he will also serve out his term as a member of the executive committee. P. B. Hosmer, the outgoing president, is nominated for a place on the executive committee as is J. S. Goodwin and Merlin Aleshire. William E. Rollo and James I. Loeb are nominated for members of the patrol committee.

J. B. McLeran Seriously Ill

J. B. McLeran, formerly Duluth branch manager for the General Inspection Bureau for many years, is seriously ill in a Duluth hospital.

Alan McHarg, a prominent Albany, N. Y. local agent, died there several days ago as the result of carbon monoxide poisoning.



Fire Association of Philadelphia The Reliance Insurance Company Victory Insurance Company

OTHO E. LANE, *President*

JAMES G. MACONACHY, *Vice-President*

J. VICTOR HERD, *Secretary*

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INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 112 W. Adams St., Chicago, as of Jan. 3

Stock	Par	Div. per Share	Bid	Asked
*Aetna Cas.	10	1.60	37	39
Aetna Fire	10	2.00	28	30
Aetna Life	10	1.00	12	14
Amer. Alliance	10	1.00	10	12
*American, N. J.	2.50	.50	6 1/4	7 1/4
Amer. Surety	25	...	10	12
Automobile, Conn.	10	1.00	16	17
Boston	100	16.00	300	320
Carolina	10	...	9	11
City of N. Y.	100	...	60	68
Cont'l. Assur.	10	2.00	27	29
Conn. Gen'l.	10	.80	27	29
Continental Cas.	5	...	6 1/2	7 1/2
Continental Ins.	2.50	1.20	13	15
Fidel.-Phenix	2.50	1.20	16	18
Fireman's Fund	25	3.00	44	46
Fireman's F. Ind.	10	...	15	16 1/2
Firemen's	5	.60	5 1/2	6 1/2
Glens Falls	10	1.60	25	27
Globe & Rutgers	25	...	65	67
Great Amer. Ind.	1	...	5	7
Great American	5	1.00	12	14
Halifax	10	1.20	7	9
*Hanover	10	1.60	22	24
Harmonia	10	1.80	7	8
Hartford Fire	10	2.00	36	38
Home, N. Y.	5	1.00	13	15
Hartford St. B.	10	1.60	42	44
Home, F. & M.	10	2.00	24	25
Homestead	10	...	6	7
Ins. Co. of N. A.	10	2.00	33	35
Maryland Cas.	2	...	3	4
Mass. Bonding	25	2.00	15	18
National Cas.	10	.40	5	7
National Fire	10	2.00	38	40
National Liberty	2	...	2	3
National Surety	10	...	6	7
National Union	20	...	20	22
New Amst. Cas.	10	2.00	17	18
New Brunswick	10	...	7	9
New World	10	.80	6 1/2	7 1/2
North River	2.50	.60	9	11
N. W. National	25	5.00	70	75
Occidental	10	...	12	14
Pac. Mutual	10	2.40	25 1/2	27 1/2
Phoenix, Conn.	10	2.00	46	48
Prov. Wash.	10	...	16	17
Sprgfd. F. & M.	25	4.50	62	64
St. Paul F. & M.	25	6.00	104	106
Sun Life	100	...	230	260
Travelers	100	16.00	350	360
U. S. Fire	4	1.20	16	18
U. S. Fld. & G.	2	...	3	4
Westchester	2.50	1.00	12	14

*Ex. div.

Radical Changes Are Up to Curb Chicago Theft Loss

(CONTINUED FROM PAGE 4)

papers are taking cognizance of the situation. The extent of automobile thefts in Chicago is being brought to public attention and it is felt that the police and the courts may be thereby stimulated to more intensive action.

The December grand jury in Cook county recommended that the legislature and Chicago city council pass laws to remedy the theft situation, particularly aiming at the traffic in stolen parts. Recommendation was made that the police captain in charge of the stolen car division appear before the January grand jury and answer certain questions.

Some of the questions for which answers were suggested are:

"What is your greatest problem? What is your plan in general? What are you doing to catch the 'fences'? Are the names and addresses of the 'fences' known? Have you a list of names and addresses of boys who steal and strip cars? What laws do you need to make your work more effective? What cooperation are you getting from the state's attorney, municipal court, criminal court, insurance companies, automobile companies, motor clubs and the crime commission?"

Much Creative Work Being Done in Explosion Field

Explosion insurance seems to be the only fire line that yields to creative production effort these days. Use and occupancy is a dead issue for the time being. Use and occupancy work usually consists of scaling down the insurance these days.

Whereas property is insured probably 90 percent fire insurance-wise, it is in-

sured perhaps less than 5 percent explosion-wise. There is a great field for development. Arguments for explosion insurance are plentiful and the companies are employing special representatives to develop this line. The explosion which destroyed the state office building in Columbus, O., furnished much impetus towards the sale of explosion insurance.

One of the most effective arguments in selling this coverage is that gas mains should be replaced every 15 to 18 years and that with the present state of finances and under the present conditions, replacements are being deferred in many places. Therefore an exceptional hazard is being created.

The number of explosions have increased greatly in the last few years and there have been a number of striking object lessons. Many agents have found that solicitation of explosion insurance stimulates their morale. Attempting to put on new business these days is like butting one's head against the wall. Whatever business is acquired is usually taken from a competitor but, in explosion insurance, there is an opportunity for really creative work.

J. R. Schuster, Beloit, Wis., local agent, has purchased the George A. Miller agency, which since the death of Mr. Miller has been operated by his widow.

University Insurance Teachers Organized

University teachers of insurance in attendance at the annual convention of various economic and sociological societies in Cincinnati last week formed the American Association of University Teachers of Insurance. S. S. Huebner, professor of insurance at the University of Pennsylvania, was made president. Other officers are R. H. Blanchard, Columbia, vice-president; F. G. Dickinson, Illinois, secretary-treasurer; A. H. Mowbray, University of California; S. H. Nerlove, University of Chicago, and C. L. Parry, Metropolitan Life, additional members of the executive committee.

The new association plans to meet for one day each year at the place and time set for meetings of the American Statistical Association. The purposes of the association are the promotion of insurance education, encouragement of insurance research, free discussion of insurance subjects, publication of material which may forward the general purposes of the organization, cooperation with organizations interested in insurance education. About 20 teachers were present at the organization meeting.

O. L. Heltzen Is Appointed Rhode Island Commissioner

PROVIDENCE, R. I., Jan. 4.—Oscar L. Heltzen, former assistant attorney general, has been appointed by Governor Case as insurance commissioner to fill the unexpired term of P. H. Wilbour, resigned. Mr. Heltzen was backed by many insurance leaders and organizations. He is a graduate of Brown University and Harvard law school and has held numerous public offices. He is an instructor at Northeastern University and a member of the judiciary committee of the Rhode Island Bar Association.

Mr. Wilbour's term expires Jan. 31, but Mr. Heltzen's appointment is subject to confirmation by the state senate. Confirmation is expected, as the new senate, which convened Jan. 3, is Republican.

May Get Place Permanently

At the expiration of the term Jan. 31, the new governor, T. F. Green, Democrat, will be required to fill the vacancy permanently, with the confirmation of the senate. If it refuses Mr. Green's choice, the senate may name the commissioner, so that it is possible that Mr. Heltzen may receive the permanent appointment for a full term.

A Famous Stage Star Once Said:

"It isn't what you do: it's the way you do it!"

BY THE FIRE COMPANIES OF THE AMERICAN GROUP

A NUMBER of Agents, who were not representing us at the time, wrote us after reading about our highly-successful sales campaign and asked to be shown what it is all about. One of those who wrote in asked to see the printed sales aids we employed. They were shown to him, and, after looking them over, he said bluntly "Why, I already have most of those items from my present Companies." (He represented several of the other large companies, and *did* already have some items similar to ours.) We reminded him that we had never stressed the *material* incident to this campaign, but rather the plan of usage. In other words, it is not the particular printed piece you employ that counts, but rather whether or not that piece is appropriate at all in your case, and then *how you use it*, if it is.

For instance, the Household Inventory Booklet is one of the oldest printed pieces offered by Insurance Companies, but did you know *it will produce direct busi-*

ness if used properly? It is one of the most successful items we employ! Some-time ago one of our Agents wrote in for 100 Inventories and we sent them. Later we asked him if they had produced any business and his rejoinder was "They aren't *expected* to produce business: they are a service to customers." We then sent him another lot and urged him to use them *our way*. Within a month he reported they had produced \$69.30 in premiums, and asked for some more *to be used our way*. These produced \$69.10—and a third lot resulted in \$44.25 more. A total of \$182.65 in premiums, *in addition* to the "service to customers."

No, not *all* of the sales material employed in this campaign is new, but we *do* have our own way of successfully adapting it to individual conditions *through personal interview*. After all, it's not the material you distribute, but the business it produces that counts! Would *you* like more business?

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Including Occupational Diseases

ONE of the most serious problems confronting casualty underwriters involves workmen's compensation insurance which continues to be a losing proposition. In 1932 when the returns are all in the loss will probably be \$25,000,000. In 1931 the loss was \$23,000,000. Thus companies are confronted with a deficit year after year. There are many causes that produce these results. During the legislative season undoubtedly an effort will be made to enlarge compensation laws to embrace occupational diseases. In some states the law covers such contingencies.

The employers have taken a broad-minded attitude toward workmen's compensation laws, realizing that occupational accidents are a charge on industry which must be borne. From a humanitarian standpoint, their attitude has been to provide for the injured and the dependents as generously as could be expected. When it comes to occupational diseases the average employer would undoubtedly feel that this is a contingency that might well be included in the workmen's compensation act. During the last few years following the crash, compensation writing companies have been confronted so often with impositions that they dread to see any move made which will accentuate that tendency. Even in times like these, if

it were possible to restrict the benefits to occupational diseases alone, there would not be much opposition. Well informed casualty executives realize however that this only opens the way to claims that are really not covered.

In states where the compensation law includes occupational diseases it is found that the state industrial boards go far beyond the liability under the contract and thus grant awards to which employees are not entitled. Sympathy and perhaps political consideration carry the administrators of the law beyond the bounds which it encompasses. This, of course, gives a higher loss experience than is actually justified and the policyholder is charged a higher rate. In some cases a state has an act covering occupational diseases and an adjacent state may have not such. Thus the neighboring state is an advantage to its employer.

One of the causes of the great annual deficit in workmen's compensation is this ultra liberal construction of the compensation act, stretching it beyond its normal limits and giving almost all claimants the advantage. This is placing an extra burden on industry and employers in general. When therefore this question of extending the compensation act arises insurance men should be well informed as to the probable results.

Seek Return of Confidence

ONE of the factors that will do more than anything else to bring about better conditions and better times is a return of confidence. When confidence is impaired, the minds of people are greatly

disturbed and bewildered. Nothing can be accomplished without faith in the future. People at present are afraid to take any steps. They lack courage. Let us hope confidence is being restored.

PERSONAL SIDE OF BUSINESS

James G. Berry, manager of the Allegheny county department of the National Union Fire, died suddenly Dec. 29 at his home in Crafton, Pa. He was born in New York City in 1872, went to Pittsburgh with his family, his father being engaged in the steel business, and entered the service of the National Union in 1906 as an examiner. He was appointed special agent in 1917 and manager of the Allegheny county department in 1922.

A. C. Heltzell, well known independent adjuster of Denver, has been making his annual holiday visit to St. Louis and Chicago, visiting relatives and friends. Mr. Heltzell formerly traveled in the midwestern field, being affiliated with the Great American and later with the London & Lancashire.

R. H. Breese, North Carolina state agent for the Scottish Union & National, died at his home in Raleigh after an illness of six weeks. He joined the Scottish Union in 1931. Before that he was state agent in North Carolina for the Aetna Fire.

Officials and department heads of the America Fore group of companies—including its casualty affiliate, the Fidelity & Casualty—were guests of Ernest Sturm, chairman of the board, at a luncheon on Christmas eve. As a token of good will, President Culver on behalf of his associates, presented Mr. Sturm with a handsome gold cigarette case. Each of the 150 attendants at the luncheon received from Chairman Sturm a monogrammed leather memorandum book, similar to that he has carried for several years. Following a brief talk on general business conditions, Mr. Sturm referred to some of the outstanding achievements in the life of George Washington, offering that an exhibition of the qualities shown by the father of his country is needed today in the solution of the difficulties confronting underwriters as well as business men generally.

F. S. Danforth, president of the Millers National of Chicago, and Mrs. Danforth are spending the holidays in the east, visiting their daughter and son-in-law in Montclair, N. J.

Western Manager Charles E. Dox of the London & Lancashire is now confined to his bed all the time at his home in Chicago. No visitors are allowed to see him. Mr. Dox spent the summer at his place skirting the Glen View Golf Club course. He moved with his family to 1209 Astor St., Chicago, for the winter. During the last few months his vitality has gradually weakened.

T. J. Lilly of St. Paul, who is Minnesota state adjuster for all of the America Fore companies, will be guest of honor at a dinner in Chicago Jan. 7, celebrating the completion of 50 years service with the Continental. Mr. Lilly is one of the pioneer insurance men of Minnesota and one of the oldest employees of the Continental. He started as a field man in Minnesota and continued in that work until 10 years ago when he was made state adjuster. He is the father of George W. Lilly, manager of the Fire Companies Adjustment Bureau.

Ernest Sturm, chairman of the America Fore companies, is expected to attend the dinner in Mr. Lilly's honor. E. A. Henne, vice-president and western manager of the America Fore companies, will preside.

W. D. Bigelow has rounded out 60 years of continuous service in the home office of the Springfield F. & M. He is now in his 80th year. He was born in Springfield, Mass., and still reports daily for work although he was relieved from

active service a few years ago. He entered the employ of the company Jan. 1, 1873, when Springfield had a population of 30,000. He has lived at his present home for 52 years. Mrs. Bigelow is still living. They have a son, W. W. Bigelow, West Newton, Mass., a mechanical engineer. Their daughter's husband, H. M. Wriston of Appleton, Wis., is president of Lawrence college there.

John S. Aldehoff, 76, pioneer Texas insurance man, died at his home in Dallas a few days ago. He had been in the insurance business in Dallas for 45 years. At the time of his death he was senior member of the agency firm of Aldehoff & Moseley.

H. K. Lininger of Oklahoma City, state agent for the Springfield F. & M., has now returned to his home from the hospital where he was being treated for pneumonia. His father, W. H. Lininger of Chicago, one of the western managers of the Springfield, and Mrs. Lininger were called to Oklahoma City due to his illness. After all danger was over the parents returned to their home.

John J. Kelly, Jr., a director of the Central Fire of Baltimore for a number of years, died of a heart attack at his office. He was active on the board of the Central, having succeeded his father, who was a director for more than 20 years prior to his death in 1929.

Charles G. Bates, 68, pioneer Minneapolis fire insurance man, died at his home there after a brief illness Dec. 29. He had been a resident of Minneapolis for 48 years. For a time he was state agent for the old Western of Pittsburgh and later state agent for the American Central. At the time of his death he was in adjusting and local agency work.

J. G. McFarland, state agent for the American of Newark in Minnesota, was called to Leavenworth, Kan., last week by the death of his father. Mr. McFarland formerly represented the American in Kansas and previously was with the Kansas Inspection Bureau.

W. R. Kirk, Kansas state agent for the North British & Mercantile, is confined to a Topeka hospital as a result of an automobile accident near Topeka Christmas Eve.

A. P. Winkler, 70, chairman of the board of directors of the Liberty Fire and Liberty Bank & Trust Co., Louisville, died at his home, after an illness of more than two years.

E. L. Wyckoff, prominent Napa, Cal., local agent, secretary Napa County Association of Insurance Agents, died last week following a major operation. Mr. Wyckoff recently succeeded his father, S. H. Wyckoff, as head of the old established agency bearing his name.

A. L. McCormack, president of the St. Louis Fire Underwriters Association and of the Missouri Association of Insurance Agents, and vice-president of the Charles L. Crane Agency Company, St. Louis, has been appointed a colonel on the personal staff of Governor-elect Guy B. Park.

W. T. Isted of Seattle, for more than a quarter of a century a leader in Pacific Northwest marine circles, died there last week. His activities as a marine surveyor and adjuster brought him into close contact with many insurance companies. He was making plans to take the trip from Seattle to New York via the new liner "Santa Rosa" of the Grace line when he was taken with a heart attack.



HEAD OFFICE
INDEPENDENCE BUILDING
PHILADELPHIA, PA.

HOFFMANN, SON & COMPANY, INC.

GENERAL AGENTS

122-124 NORTH FOURTH STREET

ST. LOUIS, MO.

Being a representative of two staunch and progressive life insurance companies (as well as the General Agent for the Independent Indemnity Underwriters of the International Reinsurance Corp.), this isn't the first time that a President's Month, Vice-president's Month, Secretary's Month, Treasurer's Month or a "what-have-you" Month has been suggested. These suggestions, however, have always come from the Home Office,— so with the extract of "whoop-'em-up" sincerely inspired by ardent respect and admiration, as well as gratification in the shape of a telegram from one W. F. O'Brien, it is easy for me to dive head-long, hook, line and sinker, chafing at the bit to really register with the "King Pin" of the Insurance Industry, an evidence that will stand through the ages of memory—a gala marking in the Calendar of the Life of Carl M. Hansen.

Shucks, presents are nice, words have their effect, too, but the real thing that makes the whole life worth the living, is PERFORMANCE. Even in this, Fate, too, plays cards, and it is possible that my Agency may only run second. It is remote, but still a possibility that I may not be the leading producer, but when the Hansen Month is over, I will have kept the flies off of every man in and out of the institution he so nobly has led, still leads and of which he will always be High Chief, at least in spirit.

What Agent, Agency, Broker, Home Office employee, or, last but not least, Home Office Official, knows any better than any one of us, his followers—a closer insight to the true financial status of the company represented? We are in the picture—we are on a current basis. What other company representative can make that boast these days? There may be better, bigger, finer institutions of Casualty Insurance, but where are they—why are they—and who knows?

Mr. Hansen told me shortly after he bought the Company, that we agents were the Firing Line of success or failure and it was up to the Commissary to feed us and keep us well supplied. Wow! what a battle we have been through. Did the Commissary deliver? Even though the policy of the enemy was "guerrilla"—however, "Independence will be more than a name in the conduct of our business, it will be a Policy." I like the leadership of a leader whose component parts are Leadership, Ambition, Loyalty and Love, particularly when he has provided me with an article of livelihood containing Appeal, Appearance, Performance, Price and one invulnerable to Trade Resistance.

I'll say that Carl M. Hansen and Associates have kept the faith such as to inspire any agent who has experienced any years in any phase of the Insurance Industry.

Is it any wonder that I agreed to do my damndest for Hansen Month?

BRIGGS A. HOFFMANN

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Outline Plan to Meet Credit

Suggestion Is Made That Policies be Written at Short Rates for 30 Days

A new plan for meeting the credit granting difficulties of agents is being discussed in Ohio. The plan is that policies be written at short rates for 30 days only, so that if the premium is not paid there may be a flat cancellation. If the premium is paid, an endorsement may be used to extend the insurance for the full term covered by the payment. If the assured desires to pay on the installment plan, the policy may be extended for 90 days, written at short rate, then to six months and finally to a full year term for the policy, the purchaser finally to obtain his protection at the regular rate by the time he has paid for the full term. That is, at each extension, he is credited with the excess amount paid under the short rate.

The arguments advanced for the plan are that the company need not put up reserves for the long term when the premium may never be paid, that there is no necessity to deal through an intermediary such as a finance company and finally that the plan is certain to stand the test of legality.

Some of the objections advanced are that the plan would never be satisfactory to the mortgagor since it would involve a frequent check up to make sure that insurance protection was on the property. The mortgagor would not be willing to accept a clause guaranteeing protection for 30 days only. Then too, some agents declare that the plan involves too much detail work and is no inducement to the good agent who picks his credit risks carefully and handles his collections satisfactorily in time to pay his companies.

Recommend New Insurance Company Tax Plan in Ohio

COLUMBUS, O., Jan. 4.—The judicial joint legislative committee of the Ohio general assembly, prior to adjourning sine die, decided to recommend to the new legislature that the intangible tax law be changed in respect to both the rate and base of taxation on insurance companies. Under the new plan, a 3-mill tax would be levied on the net worth of the capital and surplus of domestic companies as a privilege tax. Under the present law, the tax was 5 mills but under a ruling of the attorney general it was held to be a property tax, which permitted the companies to deduct from the base of taxation all government and non-taxable bonds. Under this arrangement a number of large companies paid a much lower tax than they would have had to pay under the other plan. The base under the proposed change would be increased about four times. While the rate would be lower, it is said that the amount of revenue would be two or three times as large. One company, it is said, which paid \$20,000 under the 1931 act, would have to pay from \$40,000 to \$60,000 under the new deal.

Unreported Chattel Mortgages

Unreported chattel mortgages are causing more difficulty than ever before in adjusting fire losses, according to field men in Ohio. The chattel mortgage has become so common that many people, not understanding the importance of reporting these mortgages to

their insurance companies, have entirely neglected to do this. In many instances, the amounts involved are so small that the expense of taking the case to court is not justified. Many losses involving unreported chattel mortgages are being compromised.

Study Fire Fighting Equipment

A group of unemployed engineers in Cleveland is being organized to study municipal fire apparatus and other fire protection equipment. No funds are available to pay the engineers but if any improvements are devised, the patents are to be owned by the engineers making the discoveries.

Monroe Busy in the Cause

Charles E. Monroe, who retired in 1925 after serving for many years as Ohio state agent for the New York Underwriters, has just declined renomination as president of the Lakeside Property Owners Association at Lakeside, Ohio. The Lakeside association is made up of about 700 owners of permanent and summer homes located there. Mr. Monroe accepted the presidency largely to put through better fire fighting facilities there. During his term the association purchased a large American La France fire pumper and 500 feet of fire hose. Also during the

year about a mile and a half of water mains were installed, well supplied with fire hydrants. Mr. Monroe was not only successful in bringing about these improvements but will turn over the leadership of the association to his successor with all expenses paid and a balance in the treasury.

To Pass on Russian Companies

COLUMBUS, Jan. 4.—The common pleas court here has appointed three commissioners to take testimony in the cases of the First Russian, Russian Re-insurance and Moscow Fire, which were confiscated by the Soviet government. A question has been raised as to what to do with the funds deposited by these companies with the state of Ohio. The commissioners will determine what amounts should be paid to claimants. The balance will then be turned over to receivers for the companies in New York.

Ohio Fire Loss Analyzed

The Ohio fire marshal department analyzed recently the fire loss in Ohio for 1931. The analysis showed that 16.9 percent of the fires occurred in townships or unincorporated villages, 8.9 percent in incorporated villages under 5,000 population, and 74.2 percent in cities of 5,000 or more population. The loss itself was distributed, 38.1 percent in the township and unincorporated villages, 13.1 percent in the incorporated villages under 5,000 population, and 48.8 percent in cities of 5,000 population or more.

J. W. Newall, Michigan Agency Leader, Is Dead



JOHN W. NEWALL

John W. Newall of Flint, Mich., 63, who had been continuously active as an agent since 1896 when he entered the agency of his father, the late George E. Newall, died there last week. He was a former president of the Michigan Association of Insurance Agents and active in its councils for many years. Mr. Newall since 1922 had been a partner of Phil J. Braun, also a former president of the Michigan association and well known in National association circles.

Mr. Newall was seized with a heart attack after a week's illness of pneumonia had so weakened him that his constitution could not withstand the strain of added complication.

STATES OF THE NORTHWEST

Radical Legislation Feared

Minnesota Insurance Interests Are Anxious About Outcome of Session Just Opened

ST. PAUL, Jan. 4.—When the Minnesota legislature convened here Monday, the prospect of the state's entry into the insurance business loomed large. Should the liberal faction, headed by Governor Olson, obtain control of either house, there are good reasons to believe that attempts will be made to put through radical insurance legislation.

One measure which is said to be in the making is a bill to establish a state compensation fund. The attitude of the companies themselves toward compensation insurance is giving legislators the impression that they do not care much for this line of business in Minnesota. Agents of bureau companies are having a hard time to place much of the business offered them and some of the companies have frankly stated that they do not want the business.

State unemployment insurance is another proposal that has the active backing of the governor and while organized insurance is not interested in this proposal from a competitive standpoint, the fact that it would put the state in the insurance business might open the way for state insurance in other lines.

North Dakota's experience with state fund compensation insurance the past year is not such as to win much support for the proposal in this state, say insurance men here. Reports received here from Bismarck indicate that the North Dakota bureau shows an underwriting loss of \$79,000 for the first 11 months of 1932. There was a loss also on 1931 operations.

Marshal Must Pay Rent

ST. PAUL, Jan. 4.—The state fire marshal's office had hardly got settled

in its new quarters in the state office building when it received a jolt in the form of an intimation that it would be expected to pay rent just like any business tenant.

The new office building was built by the state for the use of state departments previously scattered in the capitol and privately owned buildings. The law, however, provides that those departments which collect fees, and are therefore self-supporting, must pay rent.

Although the fire marshal's department is a part of the insurance department, the latter will not be required to pay rent.

Wisconsin Appeals Security Case

MADISON, WIS., Jan. 4.—The Wisconsin insurance department has appealed to the United States Supreme Court from the permanent injunction granted by the federal court here against its conditional order for revocation of the license of the Security of New Haven.

The case involves the right of removal of an action instituted by a Wisconsin insured, from a state to a federal court.

Minneapolis Losses Reduced

Losses in Minneapolis decreased nearly \$500,000 in 1932, the total being \$1,113,556.

Wisconsin Notes

The Zingen & Braun Insurance Agency, Milwaukee, has been incorporated by E. J. Zingen, R. L. Kuhn and J. I. Braun.

The Stanbert Company, Milwaukee, has been incorporated by A. R. Wirner, B. J. Whener and M. Wentworth.

John B. Gay has opened a local agency at Portage, Wis. Mr. Gay has been in insurance work before and is well known in that field.

Edward Wittwer, insurance agent of Monticello, Wis., has filed a voluntary petition in bankruptcy, listing liabilities of \$148,032 and assets of \$139,045.

Central Western State News

Will Cut Down Observance

Indiana Insurance Day Will Be Deprived of Much of Its Pristine Glory

It now seems that Indiana Insurance Day, which has been celebrated for some years past in January in Indianapolis, will not be featured this year. The Indiana Insurance Federation will meet to elect officers and have a business session. The Indiana Association of Insurance Agents will probably have a session Jan. 24, it being set as the tentative date, with three speakers covering "Adjustment of Small Losses," "Salesmanship" and "Coinsurance." Speakers are now being secured. F. H. Jannasch of Gary is president of the Indiana Association of Insurance Agents.

Form New Detroit Agency

The Dime Insurance Agency, 425 Dime Bank building, Detroit, has been formed by T. G. Baillie, Emil Kraus and R. B. Murchie. Mr. Baillie is president and Mrs. Kraus vice-president and general manager of the Title Guaranty & Casualty at the same address.

Outside Service Discontinued

All fire department service outside the city of Saginaw, Mich., has been ordered discontinued. The mayor said that no

LOYALTY GROUP

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board
 HENRY M. GRATZ, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President
 NEAL BASSETT, Vice President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board
 J. SCOFIELD ROWE, Vice Chairman
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3d Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board
 H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. McCLURE, 3d Vice Pres.

COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

WESTERN DEPARTMENT
 844 Rush Street, Chicago, Illinois
 HERBERT A. CLARK, Vice President
 H. R. M. SMITH, Vice President
 JAMES SMITH, Secretary

CANADIAN DEPARTMENT
 461-467 Bay St., Toronto, Canada
 MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
 10 Park Place
 NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
 220 Bush Street,
 San Francisco, California
 W. W. & E. G. POTTER, 2nd Vice Presidents
 FRED W. SULLIVAN, Secretary
SOUTH-WESTERN DEPARTMENT
 912 Commerce St., Dallas, Texas
 OLIN BROOKS, 2d Vice President
 BEN LEE BOYNTON, Res. Vice President
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL

1794 1933

THE INSURANCE COMPANY
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STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

Fire—Lightning—Windstorm—Automobile
Tourist Baggage—Inland Transportation
Parcel Post—Use and Occupancy
and Rent Insurance

Acquire
THE "OLD STATE OF PENN"



Monarch Fire Insurance Co.

CLEVELAND, OHIO

RALPH RAWLINGS, President

Capital \$1,000,000

FIRE INLAND MARINE AUTOMOBILE TORNADO

outside township or property-owner has contracted with the city for the service, as required, and that he cannot continue to authorize outside runs without risking personal liability for damage to apparatus or injury to firemen.

Michigan Notes

F. A. Roper, local agent in Menominee, Mich., since 1906, has purchased the R. J. Hutchinson agency, which has operated for 14 years.

Paul Seefeld, manager Grand Rapids office of the Michigan Inspection Bureau, has been named chairman of the fire prevention division of the Grand Rapids Safety Council.

Retirement of **Mrs. Emily Lanford** of Montague, Mich., 78, takes an unusual personality from the Michigan ranks. Mrs. Lanford has been conducting an agency for the past six years since the death of her husband.

Reorganized under the general mutual law, the **Barry Eaton Farmers Mutual Fire**, Charlotte, Mich., has again begun operations and expects to rewrite all of the business built up by the old organization, whose charter under the farmers mutual section of the insurance code was allowed to expire.

Missouri Valley State News

Carriers Win Missouri Point

State Court Authorizes Continuation of Collection of Rate Increase and Impoundment

Circuit Judge Stillwell of Cole county, Mo., has authorized the companies to continue collecting the 16% percent rate increase in Missouri and impound the premiums developed by the extra rate. Attorneys for the companies were gratified at this decision inasmuch as had the court decreed that the impounding cease there would have been no appeal.

This action, on which there has just been a decision, had its origin in the application of the companies some time ago to cause the banks to put up more securities to protect the impoundment on deposit with those banks. The court refused this application and in doing so intimated that under the law the money that was being impounded should go to the policyholders.

On the strength of that statement by the court, the attorneys for the state brought action asking the lower court to decree that the impounding cease. There is now about \$800,000 in impounded premiums under the jurisdiction of the Cole county court, while in a number of similar cases pending before a special federal tribunal at Kansas City about \$4,000,000 of premiums are being held in escrow.

The expectation is for an early decision on the rate case in the state court. The taking of testimony in the federal court litigation has been terminated, but with many individual cases to be considered the court's ruling as to each may be delayed.

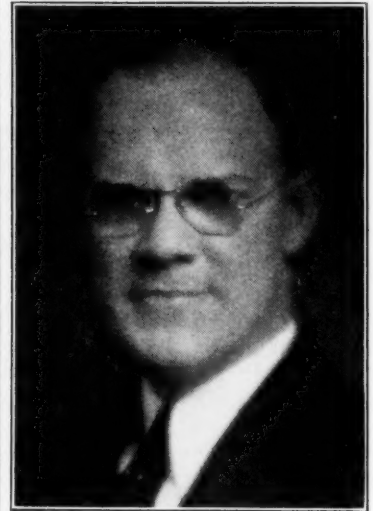
Carl G. Lund to Speak

Carl G. Lund, farm special agent in Oklahoma for the Fidelity-Phenix, is scheduled to address the fire department instructors' conference of the central states in St. Louis Thursday of this week. Mr. Lund gives a fire prevention talk which is very popular. He is president of the Oklahoma Fire Prevention Association.

Kansas Legislature Convenes

TOPEKA, KAN., Jan. 4.—The Kansas legislature convenes Jan. 10. The consolidation of the state fire marshal with some other department or into a new department, will be considered. Governor-elect Landon is expected to present a plan for the creation of a new

Opens Own Office



CHARLES R. FORBES

Charles R. Forbes has resigned as adjuster at the head office of the Western Adjustment to open an independent adjusting office in 1001 Ridgely Bank Building in Springfield, Ill. He will handle automobile, casualty and inland marine adjustments for the companies only and will make life insurance investigations.

Mr. Forbes has been connected with the Western Adjustment since 1928, handling automobile adjustments in Louisville, Kansas City and later automobile and inland marine adjustments at the head office.

Mr. Forbes started in the insurance business in 1921 as an independent investigator for life companies and correspondent for the Hooper Holmes Bureau. He later became a branch manager for a reciprocal automobile company. He was subsequently made field claim manager for that company. In 1924 he joined the Automobile Underwriters of Dallas as manager of its loss department at Houston. He was later transferred to the head office at Dallas and then to Pittsburgh as branch manager. He was later assigned to St. Louis and finally to Chicago. From there he went with the Western Adjustment.

department of public safety, which would include the fire marshal.

This proposal is that the fire marshal, hotel commission, motor vehicle license and motor truck and bus law enforcement departments all be consolidated into a single department of public safety. The proposal that the fire marshal be consolidated with the state insurance department also has a good many advocates.

Loss Is Compromised

The loss to the three-story Randall K. Brown property at 1323 Douglas street, Omaha, has been compromised on the basis of 66% percent. There was insurance of \$46,587 involved and settlement was \$31,058. The fire followed an explosion next door in the Turf Cigar Company.

Report on Wichita Insurers' Work

WICHITA, Jan. 4.—At the final meeting of the Wichita Insurers for 1932 the county commissioners and commissioners-elect were guests. Howard Snyder, chairman public safety committee, explained an extensive safety campaign which will be conducted in 1933. W. J. Bauerle told of fire prevention activities. Henry Schott reported for the credit bureau operated by the board and urged the membership to report all cancellations for non-payment of premium. Greetings were extended by the county commissioners in appreciation of

the handling of the county insurance by the board and the new commissioners were introduced.

Hail Mutuals Can't Pay Losses

LINCOLN, NEB., Jan. 4.—Reports reaching the insurance department are that hail mutuals have, as a rule, been unable to pay in full by Dec. 20 as provided in their contracts. The largest of the companies, which has notes for three times as much as its losses, wrote claimants that the best it can do now is to pay 40 per cent, with a promise to pay the remainder when possible. Others have paid as little as 25 percent and several have suggested giving notes for losses. The principal trouble lies in the fact that the farmers' holiday has been extended from failure to pay interest on mortgages to paying notes for hail insurance.

Harry M. Minick Retires

Harry M. Minick, southeastern Iowa special agent for the Fireman's Fund, has been relieved of active duty under the company's retirement plan. His work is being divided among the company's other three field men in the state.

Mr. Minick started his field work in Iowa 33 years ago with the old Des Moines Fire, and has represented that company and the Fireman's Fund continuously in the same territory during the entire period. He has had headquarters in Des Moines.

In February, 1932, he was one of five veteran Iowa field men honored by a special testimonial banquet commemorating the completion of 25 years continuous service in Iowa for their respective companies.

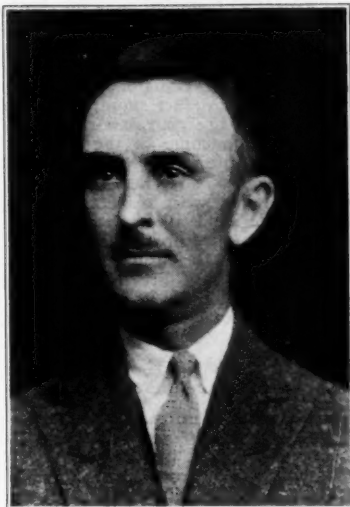
Another Attack on Marshal

LINCOLN, NEB., Jan. 4.—A consolidation of the office and force of the state fire marshal with that of the state sheriff is one of the legislative attempts to be made in Nebraska by Governor Bryan. Fire insurance interests helped kill a bill submitted to popular vote in November that would have swallowed up the fire marshal and the state sheriff into a state police force. The department is supported entirely by a special premium tax on fire companies, and the latter plan to battle to keep it a separate department. Governor Bryan suggested the consolidation two years ago but was defeated by the legislative majority.

E. B. Swietz in Chicago

E. B. Swietz, Kansas and Missouri state agent for the Atlas, spent the

New President



F. W. WILBUR

F. W. Wilbur of the McCluer-Wilbur Agency of Kansas City, Mo., has been installed as president of the Kansas City Insurance Agents Association.

holidays in Chicago visiting relatives and the western department of his company. Mr. Swietz ended the year with a clean balance record. His headquarters are in Kansas City, Mo.

Field Club Meets Jan. 10

The Kansas Fire Underwriters Association will hold its January meeting in Wichita, Jan. 10. N. Dekker, America Fore, is president.

New Nebraska Examiner

W. W. Wilson, Jr., of Nebraska City, has been named as an examiner of the Nebraska department, to succeed Robert Pralle, resigned.

Missouri Valley Notes

A. H. Van Dyke has purchased the W. F. Bishop agency, Muscatine, Ia.

The Laclede Insurance Agency, St. Louis, has taken a five-year lease on the entire ground floor and basement of the Federal Commerce building at Broadway and Pine streets. The agency is now in the Cotton Belt building at Fourth and Pine streets.

agency of Oklahoma City, past president of the Oklahoma Association of Insurers, was married last week to Miss Emma Kathryn Chapman. He was graduated from the University of Oklahoma in 1929 and spent the next three years in the home office of the Travelers. He is now connected with his father's agency.

On Chamber of Commerce Committee

Among those members appointed on the Oklahoma City Chamber of Commerce projects and policies committee are G. E. Lackey, general agent Massachusetts Mutual Life; C. C. Day, general agent Pacific Mutual Life, and C. T. Ingalls, manager Oklahoma Inspection Bureau.

Texas Notes

The Munger, Wagner & Moore agency has been organized in Dallas by C. H. Munger, Jr., A. S. Wagner, Jr., and W. R. Moore, all experienced insurance men.

The Texas Underwriters Department of the Lincoln Fire of New York has planted with Fitch, Chadwick & Co., San Antonio.

The Gantner Insurance Agency, McAllen, Tex., has been merged with the Powell-Moore Agency of the same city. Fred N. Gantner will be associated with the Powell-Moore Agency.

Southern States Local News

New Day Is Seen in South

Predicted It Will Be the First Section to Emerge from the Depression

ATLANTA, Jan. 4.—Fire underwriters are inclined to doubt the assertion made recently by B. B. Gossett, vice-president of the American Cotton Manufacturers Association, that "the south's ascendancy in the textile industry is halted, and that while New England is moving forward in its rehabilitation program the south is going backward." Insurance men, while conceding that conditions in manufacturing New England are taking an upward trend, insist that the same is true to an equal if not greater degree in the southland. As the south was the first section to feel the business depression that has since been experienced in practically every part of the land, so it is the first to emerge from its difficulties; slowly

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Will Wrightem
Field Correspondent

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Hickman Goes With Phoenix

Well Known Field Man Named South Texas State Agent, Succeeding Late W. B. Moreland

R. Allen Hickman has been appointed state agent of the Phoenix of London in south Texas succeeding the late W. B. Moreland. Mr. Hickman takes charge of all the Phoenix group including the Columbia of New Jersey, Imperial, Union Marine & General and United Firemen's. He will have his headquarters at 1209 Smith-Young Tower, San Antonio. Mr. Hickman is a native of the Lone Star state, having begun his insurance experience in the local agency business at Paris. For the past several years he has been in field work in south Texas with the Trinity Fire and Paramount Underwriters.

New Oklahoma Oil Well Plan

OKLAHOMA CITY, Jan. 4.—Plans for protection against wild oil wells in the Oklahoma City field are near completion and the city council probably will give final approval by the end of

the week. A legislative committee of the planning commission has been at work on details of the proposed system and submitted its findings to the commission.

It is proposed that a surety bond of \$200,000 be given for each well for one year. Thereafter, the \$200,000 bond would be acceptable for four wells, and up to as many as ten. Companies having more than ten wells would be required to increase the bond \$10,000 for each additional well. Previously oil operators had been required to post a \$200,000 indemnifying bond for each well.

New Beaumont Board Members

L. W. Frost and H. G. Land have become members of the Beaumont Insurance Exchange. Mr. Frost, who was formerly with B. A. Killser & Co., has now established an agency of his own. Mr. Land has purchased the Stone-Land Agency from J. E. Stone and Calhoun Land.

J. M. McCullough Married

J. M. McCullough, son of J. F. McCullough of the McCullough & Adams

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U. S.—Statement June 30, 1932

ASSETS	\$12,696,720.29
PREMIUM RESERVE	1,902,061.44
OTHER LIABILITIES	625,639.44
VOLUNTARY CONTINGENT RESERVE.....	2,125,662.41
SURPLUS (June 30, 1932, Valuations).....	8,043,357.00

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and haltingly to be sure and yet steady gain is being made.

Planters have learned to diversify their crops, no longer depending to the same degree as formerly upon the staples of cotton, tobacco, rice and sugar. Manufacturers in steadily increasing number are establishing plants in the territory, attracted by the climate, nearness to sources of raw product supply and comparative freedom from labor troubles. The premium income to the fire companies from the south for 1932 will probably be less than that of 1931, but the same holds with respect to every other section and it is contended, in greater ratio. Fire underwriters are not pessimistic as to the future of the south. Far from it. Those directly supervising the territory insist that its progress within the next decade will be second to that of no other section.

Harrison Sponsors Bills

ATLANTA, Jan. 4.—Commissioner Harrison of Georgia is advocating the passage of a bill by the next legislature, aimed to end overhead writing of insurance of all classes by outside companies, some of them responsible and others irresponsible which are now doing business in the state unauthorized and unlicensed. This business is solicited and transacted by mail and by traveling representatives.

Mr. Harrison also favors taxing general agents \$100 each to transact business and to tax the companies 2½ percent on all business written. This would do away with all state, county and municipal taxes. The brokers would have to pay a registration fee of \$3 to \$4 to take care of the clerical work of the state in the issuance of personal license cards.

Celebrate 65th Anniversary

Celebrating its 65th anniversary, the Davis, Bradford & Corson agency of Nashville gave a luncheon for its employees at the Hotel Hermitage. The guests of honor were those who had been in the service of the agency for more than 10 years. They were A. Cooney, Jr., cashier; E. L. Lee, Jr., chief clerk; Mrs. Lottie M. Thomas, casualty clerk; and Miss M. X. McMillan, assistant to the manager.

H. H. Corson is manager of the agency. He entered the partnership in 1928 and has been in active charge ever since.

The present partnership is the result of a business established by the senior member, Paul M. Davis, who started in the insurance business in Nashville in 1911. J. C. Bradford joined Mr. Davis in 1912 and was manager of the business until he was elected president of the Piggly Wiggly stores.

Examining Florida Applicants

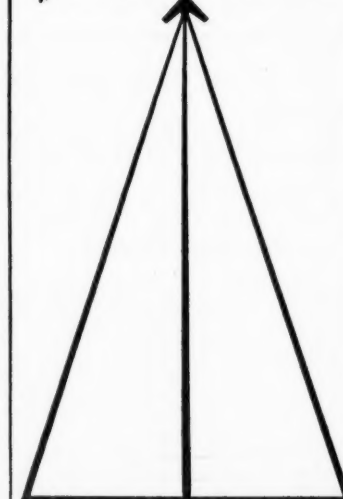
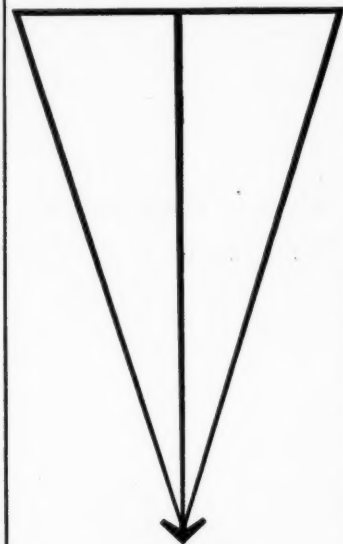
WEST PALM BEACH, FLA., Jan. 4.—Special Deputy Amann of the insurance department called in 50 applicants for agents' licenses for examination here, with 39 interviewed. Of the 39, 24 appeared for the examinations, leaving 15 apparently deciding to drop out of the business. Of the 50 notified, 11 did not respond. These will be checked up to see if any are trying to get by without being examined.

McClain Starts in New Post

A. M. McClain of Nashville, who has been appointed to succeed the late Albert Frierson as special agent for the Great American in Tennessee, first started on the road in 1911. He organized the first farm department the National Union Fire ever had and after working in that department for several years was transferred to the recording department, which he handled in connection with the farm department until 1917.

In 1917 he went with the Connecticut to handle Kentucky and Tennessee and in 1929 was given charge of the Phoenix of Hartford and Equitable Fire & Ma-

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rine business in Kentucky, but finding it inconvenient to live in Nashville and handle Kentucky business and also finding it impossible to move to Kentucky for family reasons, he resigned in December, 1929. In January, 1930, he took over the Svea, Hudson and Skandia for Tennessee and Kentucky, which position he held until these companies were recently taken over by the Home of New York.

Names Legislative Committee

TALLAHASSEE, FLA., Jan. 4.—W. P. Fischer, president Florida Local Underwriters Association, has appointed his legislative committee. The legislature convenes in April. Payne Midyette, Tallahassee, is chairman.

Directors Meet at Tampa

TAMPA, FLA., Jan. 4.—The Tampa local board will entertain the directors of the Florida Local Underwriters Association here on Jan. 13, and hold its own annual meeting at the same time. Action will be taken on changing the by-laws of the board so that it may become a member of the National and state associations.

Dwelling Forms Revised

The Virginia Rating Bureau has recently put revised dwelling forms in the hands of all state agents. This became necessary, according to Manager Spencer, because the companies had decided

to discontinue as of Jan. 1 their special dwelling house policies and to use in Virginia only the standard fire policy and standard tornado policy and combined fire and tornado policy.

Will Inspect Winchester, Ky.

The Kentucky State Fire Prevention Association will inspect Winchester, Ky., Jan. 12, with the chamber of commerce, Rotary, Kiwanis and Lions clubs and Parent-Teacher Associations co-operating. H. K. Rogers, "fire clown," will make three appearances before school children.

Southern News Notes

T. M. Shearer, local agent at Monticello, Ky., died recently following a short illness.

Frank W. Jones of the F. W. and H. A. Jones agency, Suffolk, Va., died last week of a heart ailment following a week's illness.

Morgan Galloway, who has been appearing in R. K. O. pictures, is spending the holidays in Louisville with his father, J. Grover Galloway, state agent for the North British group in Kentucky.

Property loss estimated at \$150,000 resulted from a fire which swept the portion of a business block at Shawsville, Va., last week. The loss was reported to have been well covered by insurance.

Insurance on the stock of the Birk-Baker Shoe Company and on merchandise in Fred Weir's, Levy's, Miller-Jones Shoe Company and Bernard stores, totals \$61,900, destroyed by fire in Owensboro, Ky., a few days ago, with insurance on four of the buildings amounting to \$19,000.

PACIFIC COAST AND MOUNTAIN

California Solons Convene

Numerous Insurance Bills and Appointment of Insurance Commissioner Occupy Local Agents' Attention

SAN FRANCISCO, Jan. 4.—With the convening of the California legislature this week, there is no question but what numerous bills affecting insurance companies and the conduct and welfare of the business generally will be introduced.

Governor Rolph has announced that he will appoint an insurance commissioner to succeed E. Forrest Mitchell during this legislature and that he expects confirmation of his appointment. While local agents have expressed the opinion that a commissioner should have at least five years' insurance experience before appointment, it is expected in political circles that the governor will appoint someone close to his own personal and political family.

F. C. MacDonald, president State Building Trades Council, labor leader of an aggressive type, is prominently mentioned as the successor to E. O. Allen as a member of the industrial accident commission, and while Director W. J. French's term will not expire for another year, it is whispered about that Governor Rolph will seek to displace him with another labor leader of his own choosing. Compensation underwriters are greatly concerned over these early reports and while holding Mr. MacDonald in high esteem, feel that his long fealty to labor, his liberalism where labor is concerned, will result in considerable difficulty in the adjudication of compensation cases, particularly if the other members of the commission are of the same type.

Association Has Program

In addition to the legislative program of the California Association of Insurance Agents, which includes a state rate filing bill and several amendments to the agents' and brokers' qualification law, the insurance department has also recommended several amendments along somewhat similar lines. There is the possibility that an effort will be made to change the insurance and political

codes so that the insurance department will hereafter be supported from the general funds of the state, to which the companies are contributors to the amount of approximately \$7,000,000 in addition to license, filing fees, etc.

Many amendments are in the wind for the workmen's compensation insurance and safety act. Several groups have been preparing provisions either seeking to reduce benefits or extend them. It is safe to predict that compensation legislation will play a most important part in California's entire legislative program.

Governor's Bridge Committee Is Not Officially Notified

SAN FRANCISCO, Jan. 4.—While Governor Rolph of California announced last week the appointment of a special committee to advise with the California Toll Bridge Authority on coverages which might be needed for the construction of the \$75,000,000 San Francisco-Oakland Bay bridge, those who have been approached say they have not been officially notified and do not fully understand the object of the committee, although willing to serve if the governor desires. San Franciscans mentioned, as well as several agents from outside the city, say that they were approached by Phil Landis of the general agency of Rolph, Landis & Ellis regarding the formation of such a committee. At least two stated that when approached they declined the honor. The apparent tendency now, however, is to await further advices from Governor Rolph as to the duties of the committee before taking any further steps.

Considerable concern was shown by the San Francisco-Oakland bridge insurance committee when the governor's committee was announced. This joint committee of agents and brokers offered its services as broker for the huge project with the idea that all agents and brokers in the state will benefit thereby and eliminate from the project any taint of political chicanery or favoritism which has already been hinted by newspapers unfriendly to Governor Rolph.

Those who are mentioned on the governor's committee are C. H. Turner,

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Gulf Insurance Company

P. O. Drawer 1771

DALLAS, TEXAS

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of Providence, R. I.

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Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

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MARYLAND CASUALTY COMPANY

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president Insurance Brokers Exchange of San Francisco; W. H. Menn, president California Association of Insurance Agents; H. V. Miller, president Oakland Association of Insurance Agents; A. T. Bailey, president Pacific Board; C. A. Craft, Phoenix Assurance; Joy Lichtenstein, Hartford Fire; Thomas McCauley, North America; G. M. Parrish, Marine Office of America, and B. F. Cator, California Agencies, Inc.

Reciprocity Campaign On

The King County (Seattle) Insurance Association is carrying on an aggressive reciprocity campaign. W. R. Lewis, a full time salaried employee, is visiting the various firms in Seattle inquiring as to how they place their insurance. In the case of national institutions, where the Seattle manager does not have charge of placing insurance, the head office of the firm is queried as to its insurance practices.

The King County association proposes to publish soon a "white list" of Seattle firms which place their insurance with Seattle local agents.

Change Title of Exchange

LOS ANGELES, Jan. 4.—At its December meeting the Fire Insurance Exchange of Los Angeles voted to change its name to "Insurance Exchange of Los Angeles," eliminating the word "fire." It is believed that this action is indicative of extension of its scope of activity to include casualty lines. A resolution covering the transfer of agency memberships was adopted.

Election of officers will be held at the January meeting.

Intermountain Club Elects

SALT LAKE CITY, Jan. 4.—At the annual meeting here of the Intermountain Field Club, George P. Mang, of Home of New York, was elected president, succeeding T. E. Ford; R. T. Williams, vice-president, Aetna, and A. L. Esray, North America, secretary-treasurer.

Starr for New President

The nominating committee of the King County Insurance Association at Seattle has recommended for president, O. D. Starr; for vice-president, P. J. Perry; for secretary-treasurer, Walter Crockett; for board of trustees, Bart Spellman, Aubrey Wilton, Stuart Fiskien, E. R. Bowden and Kenneth Morford.

Contra Costa Association Elects

Frank Hollender of Pittsburg, Cal., has been elected president of the Contra Costa County Association of Insurance Agents. C. A. ("Cappy") Ricks was reelected secretary for the eighth consecutive year. The executive committee includes J. L. Elmquist, Martinez; C. L. Quinting, Concord, and M. M. Garrett, Lafayette. A report showed that the county's insurance now is placed through 56 legitimate local agencies throughout the county instead of on a political basis as in the past.

Evey Heads Safety Committee

SAN FRANCISCO, Jan. 4.—Douglas Evey, past president of the East Bay Insurance Exchange, has been appointed chairman of the street and highway safety committee of the California Association of Insurance Agents. The eight regional chairmen to be appointed by President Menn will serve as members of Mr. Evey's committee, forming sub-committees at strategic points throughout California.

Premiums Off 25 Percent

DENVER, Jan. 4.—General agents and field men calculate that premiums were off on the average of about 25 percent in the mountain field in 1932. This decrease was due to lower values and the

Goes to Coast



R. R. CHAPMAN

R. R. Chapman, Cook county manager of Corroon & Reynolds at Chicago, is transferred to San Francisco as general agent of the group there. He has had a wide experience both in office and field work. He will be warmly welcomed on the coast. He is now on the ground at 340 Pine St. Vice-president E. S. Inglis is in San Francisco getting the new arrangement started.

fact that in points having a reliable fire department a number of assureds took chances and cut down their insurance considerably below value. Notwithstanding

ing the decrease in premium income the loss ratio has not been abnormal. Companies pulled out of the year in fairly good shape and most of them will show a small profit. Some of the general agencies have been using their field men to adjust losses, especially the smaller ones.

Want to Be Consulted First

DENVER, Jan. 4.—The Mountain Field Club and the Denver Association of Insurance Agents want to be heard before the managing board of the Mountain States Inspection Bureau enacts rules and regulations hereafter. Resolutions requesting hearings were adopted by both organizations following widespread dissatisfaction with the vacancy permit and other insurance permitted rules recently approved by the managing board. These rules, it is charged, were adopted without any warning to those of insurance circles in the Mountain field.

Larke Heads Legion Committee

T. H. Larke, Jr., insurance broker and commissioner of fire prevention of San Francisco, has been appointed chairman of the American Legion's conservation and prevention committee in charge of San Francisco and San Mateo counties.

Colridge Back on Job

Frank Colridge, executive secretary of the California Association of Insurance Agents, who was confined to his home as the result of illness, is again able to resume his duties.

Form New Portland Agency

Jacie Neer, Oregon manager for the Missouri State Life, and Vance Ferguson, formerly of the Travelers, have formed the Neer-Ferguson local agency

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Commercial Union Field Shift

A. O. Armstrong has resigned as spe-
cial agent for Commercial Union fleet at
Seattle. That field will hereafter be
covered by H. H. Jones.

Denver Losses Higher

DENVER, Jan. 4.—Denver's fire loss
for 1932 was increased to nearly \$500,-
000, due largely to four 4-11 alarm fires.
The 1931 total was \$363,293.

Mountain Notes

C. L. Christensen, Laramie, Wyo., local
agent, died recently.

J. F. Curns, Santa Fe, N. M., local
agent, died last week.

B. J. Palmer, Denver agent Aetna Cas-
ualty, was found dead in his automobile
near Castle Rock, Colo., last week.

John W. Mountjoy, Boulder, Mont., has
been appointed Montana state fire mar-
shal to succeed W. G. Brooks.

**Eastern States
Activities****New Jersey Losses Are Lower**

Estimated Figure for 1932 is \$10,245,000
as Compared With \$14,300,000
in 1931

NEWARK, Jan. 4.—The 1932 fire
loss in New Jersey, which is estimated
by adjusters at \$10,245,000, is a substan-
tial decrease from 1931 when the total
paid losses were \$14,300,000. The total
in 1930 was \$16,974,000 and \$15,550,000
in 1929.

One of the outstanding features of
the year is the substantial decrease in
dwelling losses. Adjusters estimate
that the past six months have shown
a drop of more than 50 percent from
over the same period of 1931. Hotel
fire losses have also shown a sharp de-
crease.

Fire premiums declined sharply from
1931, but in spite of the drop in fire
premiums, the fire losses show a
sharper decline than the premiums, ac-
cording to those in the fire insurance
field.

Baltimore Fire Loss Doubled

BALTIMORE, Jan. 4.—With an in-
crease in the number of single and extra
alarm fires during the year, salvage
corps and fire department officials un-
officially estimated that the 1932 fire
loss total would be more than \$3,000,000,
the largest since 1922, when insurance
companies paid out \$4,211,481 in claims.
The 1932 fire loss will double that of
1931, the minimum for a ten-year period.
Salvage corps records showed the fire
losses in the city in 1931 to be \$1,-
243,369.

Notable among the large individual
fires of the year were those of St. Paul's
church, St. Ann's school, the Pennsyl-
vania railroad pier and the plant of an
extensive sugar refinery. The conflagra-
tion hazard of Baltimore's mercantile
section, according to the recent report
of the National Board, is not serious,
largely because of the superior con-
struction of many buildings and the ex-
tensive sprinkler equipments of others.
In the residential section the engineers
held the conflagration menace to be re-
mote.

General Agency Gives Up

In compliance with Eastern Under-
writers Association rules, A. D. Lundy
& Son of Williamsport, Pa., have given
up the general agency of the Patriotic
and will hereafter devote their attention
exclusively to local business. They have
represented the Patriotic in 23 counties.
Hereafter this territory will be handled
for that company by field men for the
Sun.

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The National Underwriter

January 5, 1933

CASUALTY AND SURETY SECTION

Page Twenty-seven

Auto Fatalities in 1932 Near 29,000

Travelers Makes Preliminary Report on Figures Gathered Throughout Country

ABOUT 14 PERCENT DROP

Reduction in Use of Cars Due to Depression Has Bright Side in Saving of Lives

HARTFORD, Jan. 4.—Automobile accident deaths in the United States last year totaled around 29,000, the Travelers reports on the basis of figures received from 42 states and the District of Columbia. Although the fatalities were around 14 percent less than in 1931, according to the preliminary figures, other statistics from states having more than 35 percent of the country's total population show an increase of 1.3 percent in deaths per accident, an increase of 6 percent in number of persons injured non-fatally per accident, and a combined increase of 5.8 percent in number of persons killed and injured non-fatally per accident.

Four geographical sections failed to show as large a percentage decrease in deaths as is indicated for the entire country, the New England, middle Atlantic, south Atlantic and Pacific Coast states.

Reports from Eastern States

In the New England states, with figures reported on a comparable basis by Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut, the decrease in deaths amounted to 9.44 percent. The decrease in the middle Atlantic states, with figures reported by New York, New Jersey and Pennsylvania, was 8.68 percent.

The south Atlantic states, with figures reported by Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia and Florida, show a decrease of 13.31 percent. The Pacific Coast states of Washington, Oregon and California show a decrease of 10.12 percent.

In the east north central group of states, comprising Ohio, Indiana, Illinois, Michigan and Wisconsin, with figures reported from all on a comparable basis, the decrease in deaths was 16.52 percent.

The east south central group, with figures available from Kentucky, Tennessee, Alabama and Mississippi, show a decrease of 21.42 percent. In the west south central states, with figures available in Arkansas and Louisiana, but not thus far in Oklahoma and Texas, the decrease was 25.5 percent.

In the mountain group of states, with figures available from Montana, Idaho, Wyoming and Nevada, but not thus far in Colorado, New Mexico, Arizona and

(CONTINUED ON PAGE 31)

Need for Drastic Action Is Shown in 1932 Review

By GEORGE A. WATSON

NEW YORK, Jan. 4.—A survey of conditions in the casualty and surety underwriting fields during the past year, reveals little improvement over 1931, admittedly one of the most trying periods with which managers and agents ever had to contend. Such gain as is now noted is mainly psychological, in that the business generally has a keener realization of the serious problems confronting it and an appreciation of the fact that drastic remedial measures must be applied if casualty underwriting is to survive. Nothing is to be gained by blinking at stark naked facts or through the adoption of mere palliatives. What is needed is to discard whatever policies experience has proven to be ineffective, and to adopt others, however drastic they may seem to be, that hold promise of betterment.

Decrease in Premiums

Premiums in all of the casualty and surety lines will, when figures for 1932 are available, unquestionably show a marked decrease. At the same time losses will probably show an increase except on surety, which through a cessation of the heavy run of depository bond claims in 1931, will show a relative gain, and for this company officials will be profoundly thankful.

The discouraging experience on workmen's compensation line in 1930 and 1931 continued through the past year. Such rate increases as were allowed by a limited number of states proved wholly insufficient to offset the steadily mounting losses.

The attitude of many of the state commissioners with respect to the application of the companies for additional rates has been disheartening. The early feeling was that when the companies presenting their experience data frankly and fairly, revealed the need for better rates, no difficulty would be had in their being granted. The futility of such belief, however, has been made painfully evident within the past six months, commissioner after commissioner either denying the application utterly, or allowing but a percentage of that held by company officials to be necessary in order to guarantee the sanctity of contract obligations.

Opposed by Local Agents

Not the least disappointing to company executives though, has been the active opposition shown by local agents in many centers, to the attitude of their companies on the rate question. Instead of cooperating with the managers in the endeavor to secure official sanction to rate advances, both as to compensation risks and automobile public liability indemnity covers, local representatives in a number of instances have vigorously opposed the move, an influence not infrequently causing defeat of the effort.

If compensation and automobile liability protection is to continue being written by stock companies, managers are convinced that some new formula for rate-making other than that now em-

ployed, must be adopted, whereby the individual risk will be graded according to its particular status. The present plan of group rating has proven ineffective, in that with every advance in tariffs the better type risks are lost to the stock offices, either through placement with non-stock carriers or by owners ceasing to carry any insurance, holding instead their willingness to assume the hazard of accident themselves.

Loss Desirable Risks

The loss of desirable risks is noted with each rate advance, resulting in a constantly increasing adverse selection to the carriers. The only method whereby this undesirable condition can be stayed is through a differentiation between the poor and the better types of risks, so that the person exercising care in the conduct of his plant or in the driving of his automobile may be allowed a lower premium charge than that imposed upon his negligent neighbor. Credit rating in automobile insurance was discarded early in the new year, a move not a few offices, while assenting, adopted reluctantly and with the thought that the same idea might later be incorporated in a more workable plan.

Compensation insurance continued to pay excessively for malingering claims, and likewise suffered heavily through being compelled to settle losses on the basis of benefits fixed by law, which while equitable enough in times of gen-

(CONTINUED ON PAGE 31)

Outage Insurance Is New Coverage Lately Developed

NEW YORK, Jan. 4.—A new form of coverage developed by the boiler and machinery department of the National Bureau of Casualty & Surety Underwriters, is termed "Outage Insurance." The indemnity is designed to supplement indirect damage insurance already carried, and is added to policies. The new coverage provides for the payment of a predetermined amount per hour, selected by the assured as reimbursement for loss of time within "which the functions of an insured object are prevented on account of an accident."

While similar in some respects to use and occupancy insurance, the new type of indemnity differs from it in that payment is not contingent upon prevention or reduction of business. The protection is available to schools, apartment buildings, office structures, contracting projects and the like, as well as to stationary power plants. As the indemnity furnished under outage policies is broader than that granted by use and occupancy contracts, rates for the former are somewhat higher than those called for under the latter type of insurance.

Premiums Are Off About 15 Percent

Report Is Made on Commercial and Monthly Payment Companies

GET MORE APPLICATIONS

Accident and Health Offices Give Their Experience for 1932 Compared With 1931

The total premium income of commercial and monthly premium accident and health companies and departments for 1932 will be about 15 percent below that of 1931. This result is forecast by an examination of preliminary returns on 1932 business sent in to the Accident & Health Bulletins, published by THE NATIONAL UNDERWRITER. For 90 percent of the companies reporting, the decrease in premium income this year is above 10 percent and for 45 percent, the decrease is 20 percent or more. The reporting company showing the smallest decrease in premium income is the Ministers Casualty Union, writing by mail. Its decrease is about 3 percent. The highest percentage decrease reported was 40 percent.

One Bright Spot Seen

One of the bright spots in the present outlook for some companies is the increase in the number of applications being received compared with those received earlier last year. One company official says this indicates one of two things. First, that men are returning to work, and second, that agents have taken on additional courage and are working harder themselves. Where these increases have taken place, they have been slight, and have not been sufficient to cause any increase in premium volume.

In premium volume, the decrease in new business written in September, October and November, 1932, as compared with new business written in the same months of 1931, averages about 20 percent. The highest percentage decrease in new business reported for any one company was 58 percent in October. A decrease in new business in September, October and November, 1932, as compared with 1931, from 25 percent to 40 percent was common. Only one company showed any consistent gain in new business for these three months this year.

Loss Ratio Will Show Increase

The loss ratio for 1932 will show some increase over 1931. Two-thirds of the companies reporting show a loss ratio of 60 percent or greater. In figuring these loss ratios, claim expenses were included. Companies showing a loss ratio of 55 percent or below for 1932 will be very few in proportion to the number of companies in the field.

(CONTINUED ON PAGE 31)

Travelers Figures for 1932 Reveal Results of Storm

COMPANIES IN FINE SHAPE

Total Income Shows a 9 Percent Decrease Compared with Results of Previous Year

HARTFORD, Jan. 4.—Annual income of \$197,581,000 for the year 1932 is announced by the Travelers, Travelers Indemnity and Travelers Fire. This is less than 9 percent decrease from the preceding year. The premiums received in cash by the three companies exceeded \$166,992,000. The year's earnings from investments, interest and rents, exceeded the corresponding figure of the more prosperous year of 1929.

President Zacher's Comment

In commenting on the figures President L. E. Zacher said: "The year 1932 presented unusual difficulties, both economic and political, to business of all kinds, and in reviewing the results for the year these conditions must be given due consideration. The results of the Travelers are a reflection of these adverse conditions continuing from 1931 and indicate that the companies' organization has met them with energy and zeal. During the year the Travelers companies further strengthened their financial position and closed the year with \$84,800,000 in United States government bonds and over \$18,000,000 in cash on hand. It is to be hoped that the coming year will lend itself to better results, but to attain them will require continued application and renewed efforts."

Distribution of Premiums

The distribution of cash premiums received from different classes was as follows:

Life insurance.....	\$102,786,000
Accident and health.....	11,816,000
Liability.....	4,830,000
Automobile casualty.....	22,620,000
Workmen's compensation.....	12,109,000
Burglary.....	2,065,000
Auto fire, theft and tornado.....	1,637,000
Fire, tornado and misc.....	7,478,000
Steam boiler.....	680,000
Machinery, flywheel and misc.....	421,000
Plate glass.....	544,000

Total premiums.....\$166,992,000

Total income.....\$197,581,000

Independence Indemnity Changes

A number of changes in the official personnel of the Independence Indemnity Underwriters of the International Reinsurance are announced.

A. H. Seymour, who has been with the Independence Indemnity since 1926, has been made assistant general counsel in charge of surety claims and counsel in all legal matters arising out of surety and liability claims.

H. B. Sprague has resigned as vice-president in charge of the bonding underwriting division and M. T. Wright, Jr., has resigned as assistant secretary in charge of fidelity and depository bonds.

W. J. Dormer has been named manager of the bonding department. He joined the Independence Indemnity in 1928 after 15 years with the American Surety and ten years with the Columbia Casualty, Globe Indemnity and Glens Falls.

Roesch Out of New Company

W. Eugene Roesch, president of the M. & S. Agency of Newark, has announced that he has withdrawn from any participation in the forming of the Surety Company of America of New Jersey, the charter for which was granted last summer by the New Jersey department. Mr. Roesch also states that he has returned all commitments or subscription payments which were received by him personally.

Must Have Trained Men at Helm of Companies

After a general survey of conditions in the surety field last year, E. M. Allen, president of the National Surety, held one of the lessons taught was that companies cannot be launched or conducted "upon the rough seas of the fidelity, surety and casualty business, without trained and experienced men being at the helm."

California Commissioner's Stand Upheld by Court

SAN FRANCISCO, Jan. 4.—An effort by mandamus proceedings to force Insurance Commissioner Mitchell of California to hear evidence supporting charges that the Globe Indemnity and its general agent, Rule & Sons, in Los Angeles had violated the California compensation minimum rate law and anti-rebate law has failed. The superior court upheld Commissioner Mitchell in his contentions that his "private investigation" indicated no violations.

The case caused considerable furor last year and Mr. Mitchell's refusal to hear evidence caused the governing committee of the California Inspection Rating Bureau to file action.

A special committee on discipline will be created in the bureau with power to hold trials and levy fines ranging from a minimum of \$50 for first offense to maximum of \$1,000 for third offense, if the company members approve a constitutional amendment at the annual meeting Jan. 12. The committee on discipline will operate under rules formulated by the governing committee. Seventy-five percent vote is necessary to carry the amendment.

Delay in North Carolina

RALEIGH, N. C., Jan. 4.—There will be a further delay in rendering a decision on pending petitions for increases in workmen's compensation rates in North Carolina, Commissioner Boney has announced. He explained that following the recent hearing all interested groups were given the privilege of filing briefs. All of the briefs have not been filed, according to Mr. Boney. One that was to be presented in behalf of cottonmill operators in Gaston county has not been received, it was stated.

CASUALTY PERSONALS

Stanley Beckenell, special representative of the Western & Southern Indemnity, died last week following an appendicitis operation. He had taken charge of the Tri-State General Agency at Evansville, Ind., which conducts a local agency, and also acts as general agent in southern Illinois, southern Indiana and western Kentucky for the Western & Southern Indemnity and Western & Southern Fire.

Vice-President W. E. Krafft of the Continental Casualty at Chicago in charge of the surety department did not celebrate hilariously New Year's Eve. He chose a novel way to commemorate the closing of the old year and the beginning of the new one. After an examination he discovered that he had appendicitis. Therefore on Saturday he hid himself to the Presbyterian hospital in Chicago, where a successful operation was performed. He will be off the reservation for perhaps three weeks. He did not have an acute attack but found the symptoms indicated the malady and therefore he went through the me-

Hearing Is Held on Policy with Subscription Sales

VAN SCHAICK STARTS PROBE

Representatives of Companies Writing That Form of Coverage Deny Law Violated

Superintendent Van Schaick and those selling limited health and accident policies in connection with newspaper and magazine subscriptions clashed at a hearing on the legality of the practice. The hearing was held in view of a recent opinion of the attorney-general of New York that the sale or giving away of life insurance in combination with stock in an investment trust constitutes a discrimination under section 89 of the insurance law. Van Schaick holds that the same principle is applicable to insurance other than life under section 65 and he pointed out that section 108 prohibits discrimination under accident and health policies.

The Hearst papers, offering to their subscribers policies in the National Casualty, and the "American Agriculturist," offering the policies of the North American Accident of Chicago, contended that their method of selling did not violate the ruling laid down in the case of investment trusts selling a combination of stock and life insurance. Mr. Van Schaick set one week as the time within which to file memoranda supporting this view. He said that the recent opinion of the attorney-general must be treated as the law until either it is rejected or ratified.

Attorneys for those engaging in the proscribed practices announced that they would appeal to the courts.

One of the attorneys asked whether the sale of accident policies with railroad tickets was not affected by the attorney-general's ruling. Van Schaick said that they were not, because the sale of these policies was a separate transaction and the buyer of the ticket was not obliged to buy the policy.

Becomes Grange Mutual Casualty

The name of the Citizens Fund Mutual Casualty of Red Wing, Minn., has been changed to the Grange Mutual Casualty. It is the running mate of the Citizens Fund Mutual Fire of Red Wing. The guarantee fund of \$100,000 held by the Citizens Fund Mutual Casualty has been reduced to \$5,000, the difference being returned to the fire company.

chanics of investigation and his physicians advised him to be operated on.

George S. Guy, who was until recently a member of the firm of Cannon & Guy, state managers for the Fidelity & Deposit at Richmond, Va., ended his life by jumping from the window on the eighth floor of the Mutual building in that city. The partnership of Cannon & Guy was dissolved recently and Mr. Guy had negotiated with another company agency. He became despondent when the negotiations collapsed.

W. O. Schilling, manager at Chicago for the United States Fidelity & Guaranty and president of the Surety Association of Chicago, is recovering at the Washington Boulevard Hospital in his city from an operation.

Dr. A. D. Risteen, director of technical research and for several years editor of safety publications for the Travelers, died in Hartford after a brief illness. He was a nationally known authority on technical subjects, with particular reference to safety engineering.

Executives Discuss Problem of Workmen's Compensation

UPSET BY NEW YORK MOVE

Suggestion Is Made That the Top Commission Be Established at 10 Percent

NEW YORK, Jan. 4.—Casualty companies writing compensation business are much interested in the discussions that have followed the decision of the New York department concerning compensation rates, the ruling being a keen disappointment to the commanding officers. Last week a meeting of executives was held to discuss the situation in the state and endeavor to find a way out. There were many views expressed. Seemingly it is very difficult to reach a consensus of opinion. Officials differ as to what should be done.

There was a decided element that favored fixing maximum commissions at 10 percent with 5 percent to brokers and subagents. After considerable discussion on this point the matter was referred to the acquisition cost committee of 16 for New York with the understanding that another meeting is to be held this week to take up the matter further.

Would Incur Agency Opposition

To reduce top commissions from 17½ percent to 10 percent naturally will provoke an immediate revolt on part of general agents who declare that it is impossible to conduct their business with that compensation. Furthermore they say that no office can break even on 5 percent over riding. As soon as the news of the proposal got abroad in the land, the agents made their views known. Executives naturally are hesitant about taking any step that will incur the hostility of the producing forces.

The compensation situation is a critical one and unless some solution is found it is predicted that it will inevitably drift to state insurance.

Company Officials Discouraged

So discouraged have some company officials become with present conditions and the future outlook for compensation business, that they would welcome rather than resent the states taking over the line, which in the course of years has cost the carriers millions of dollars. Applications for rate increases made within the past few months were based upon completed experience including the year 1930, and where partial advances were granted, no allowance was made for pronounced trends, with the result that the loss record continues to mount, with no hope for its diminution. Candidly officials are at a loss as to how to meet the situation and counsel is divided.

Attitude of Agents

The unwillingness of local representatives to consider any reduction from the existing commission scale is forcing company officials to consider each fixing its own rate of compensation, regardless as to what offices generally may agree upon. The refusal of a number of regulated states to grant rate advances, and their enforcement in non-regulated commonwealths, it is predicted will be followed by regulatory statutes in certain of the latter, adding still further to the difficulties confronting the compensation carriers. Altogether the situation with respect to their largest of the casualty lines is highly discouraging and without a single promising feature.

Wisconsin Mutuals Merge

MADISON, WIS., Jan. 4.—The Builders Mutual Casualty of Madison has merged with the Employers Mutual Liability of Wausau. Offices of the consolidated insurance company will be located at Wausau.

G. F. Michelbacher Reviews Hard Times and Insurance

RECITES CORRECTIVE STEPS

Casualty Executive, in Addressing American Statistical Association, Tells How Situation Has Been Met

A statement of casualty, surety and fire insurance results during the depression, the factors that have affected insurance during that period and the steps that have been taken by insurance companies to improve their operations was contained in the address of G. F. Michelbacher before the meeting of the American Statistical Association in Cincinnati. Mr. Michelbacher is vice-president of the Great American Indemnity.

Mr. Michelbacher stated that the companies have waged a determined struggle to improve their position and to reorganize methods and programs for the future. Where rates have been inadequate, steps have been taken to increase them. Underwriting policies have been readjusted to conform with the new conditions. A general housecleaning of undesirable and unprofitable sources of business and risks has been prosecuted and more conservative programs have been adopted for new commitments.

Economy Has Been Practiced

Economy has been practiced with vigor, he said. Salaries have been reduced, personnel has been curtailed, new methods have been devised for more efficiently performing necessary functions, extravagances of all kinds have been discontinued, a ban has been put upon unprofitable production efforts.

Individual carriers in some cases have been liquidated and others have been merged and still others have been reinsured in part.

A determined effort, according to Mr. Michelbacher, has been made to combat crime rings guilty of arson, the prosecution of false claims and similar activities. No item of losses or expenses has been immune from executive scrutiny and adjustment. The result, he said, is bound to be beneficial in the long run.

The speaker declared that the business of fire and casualty insurance and suretyship is pursuing the even tenor of its way, fulfilling its obligations faithfully, taking its losses philosophically, meeting its responsibilities courageously and revising its policies and practices so that they will conform to the new order of things.

Fire Insurance Results

In fire insurance, Mr. Michelbacher emphasized the decline in premium income because of the decline in average fire insurance rates, curtailment of construction, depletion of warehouse stocks, decline of values, discontinuance of insurance and conversion of term policies to the annual basis. He pointed out that although expenses were reduced in dollars and cents they were not reduced in the same degree that premiums decreased.

As to casualty insurance, Mr. Michelbacher pointed out that premium income has fluctuated with the fluctuation in the variable measures of premium computation such as payroll, earnings, automobile mileage, gate receipts, sales, units of production, etc. Malingering has been encouraged on the part of injured employees and in accident and health insurance every known device has been utilized to cash in on insurance policies.

Rate Supervision

Rate supervision on the part of the states has reacted against the carriers since many supervising officials, he said, have refused to comply with the usual legal requirements that rates must be adequate. Lack of employment has encouraged crimes such as burglaries, theft and robbery. Juries and quasi-judicial state bodies have been inclined to favor

Service Checks Competition in Selling Automobile Cover

DETROIT, Jan. 4.—Only through service can the insurance agent bind his clientele to him and meet price competition in the sale of automobile coverage, J. L. Poorman, Travelers Detroit branch, told the Detroit Board at its December meeting, talking on "Ways to Increase Your Automobile Premium Volume."

"As agents interested in the welfare of our clients it is incumbent upon us to render that personal service so essential for the continuity of renewal business," he said. "By this I mean the proper underwriting of the risk, considering adequate limits, whether glass coverage should be added, should contingent liability be considered, should driver-other-car coverage be included, etc."

Goes 288 Miles for a Claim

"Beyond the service as agreed upon under the terms of the contract, what active participation are we taking in the adjustment of claims? How far do you go? I've gone 288 miles. You may call such an activity ridiculous—but is it? Take the case of Mr. 'W.', whose business on my books through such service will answer this question. I traveled a long way to aid in adjusting a loss and as a result I now have \$200 in fire premiums, approximately \$250 in compensation taken from a company whose rates were considerably under those I could quote, public liability on his manufacturing plant, and a sizable life program will develop in the near future. I could

quote many other cases showing that additional service beyond what the client has a right to expect really does pay dividends to the agent.

"This concept of service also demands that we as agents play a leading part in the education of the public as to the basic reasons for high rates, and that we secure the cooperation of our assureds toward a safer and saner attitude toward the whole traffic situation both as regards their individual actions as drivers and pedestrians and in supporting constructive legislation and reasonable enforcement of existing regulations."

"Can you at a moment's notice determine all the lines of insurance you handle for any one of your clients? If not don't you think you are neglectful of your own welfare to say nothing of the obligation you owe your client? If you would like to increase your automobile premium volume why not select the highest grade group of clients on your books for other forms of insurance, and call on them?"

Service Above the Usual

"You have asked me to tell you how I meet price competition. The basis on which I operate is service above and beyond the usual. It is only through genuine, intelligent service that you can tie your clientele in your own back yard beyond the reach of your competitors."

Mr. Poorman will deliver two more related addresses before the Detroit association, in January and February.

claimants and attorneys have been busy conjuring up cases against the companies. Safety work has suffered and safe conditions have not been maintained. The cost of payroll auditing, inspection and claim adjustment has kept up, however.

Many of the afflictions in the surety field, according to Mr. Michelbacher, were a result of conditions that existed before the depression but were brought to a head in hard times. During the bull market many persons in positions of trust used company funds with which to speculate. Money was embezzled, securities or real estate were bought on margin, deal after deal was successfully negotiated and then the market broke. As values collapsed, the deception was exposed. Often several employees were found to have been acting in collusion. The salvage was always inadequate.

Many new banks were organized and old ones were over-expanded. Public deposits were sought and the cost of depository coverage was insignificant. Public money, for political reasons, often was deposited in institutions which were inadequately financed or operated on a speculative basis.

Surety People Careless

Depository bonds had been profitable and surety people were not careful in reading bank statements. Then the assets became frozen and the depositors called for their money. In 1931, 2,298 banks in the United States went into liquidation. Bonding companies had to pay large sums to depositors. The value of the prospective salvage which the carriers will receive as banks are liquidated is uncertain.

Contractors suffered and losses under contract and completion bonds have been heavy. Mr. Michelbacher said he considerably draws the veil of silence over ventures into mortgages, instalment paper and other financial guarantees. When a bonding problem becomes serious, Mr. Michelbacher said, it is about the most complicated and head splitting problem in existence.

Conservatively managed bonding companies have had extravagant losses, he said.

American Surety Running Down Bache & Co. Thieves

BOSTON, Jan. 4.—American Surety officials state that on Friday next they expect some developments in the case involving the theft of \$500,000 worth of bonds from a cashier's cage in the New York office of J. S. Bache & Co., bankers and brokers. Two of the alleged thieves were caught here recently and promptly engaged some resourceful attorneys to defend them. The proceedings have been twice adjourned but a showdown and decisive action is hoped for at the hearing set for Jan. 6. Evidence gained by American Surety investigators inclines to a belief that when this is presented an offer to return the bonds may be made. Many other companies are interested in this matter as reinsurers of the American Surety, which retained only a fraction of its gross liability.

Birmingham Branch Closed

BIRMINGHAM, ALA., Jan. 4.—The United States Fidelity & Guaranty has closed its Birmingham branch office. Lee McGriff, manager, has been appointed state agent and will continue with about the same organization and personnel. Mr. McGriff has been with the company 20 years, 16 years as state agent, part of the time associated with Ed S. Moore, and the past four years as branch manager.

Seek Stricter Association Law

SAN FRANCISCO, Jan. 4.—The California legislature, which convened this week, is expected to provide for stricter supervision of accident, health and life associations. Many proponents of more rigid regulation of these organizations have appeared in the past few months and the insurance department itself is in favor of increasing their financial requirements. Another bill that will probably be introduced will place hospital associations under the supervision of the insurance commissioner.

Flood of "Flu" Claims to Accident-Health Carriers

MOSTLY OF SHORT DURATION

Depression Reverses Usual Situation in That Older Men Get Back to Work More Quickly

Claims resulting from the comparatively mild epidemic of "flu" which has spread over the greater part of the country in the last few weeks has been keeping the claim departments of accident and health companies busy. The epidemic made its first appearance in the southwest about six weeks ago and since then has extended over a large part of the country, with probably the greatest number of claims coming from the south. One of the large companies estimates that 35 to 40 percent of its claims in the last two weeks have been of this kind.

Fortunately, most of the cases have been rather mild and the period of disability relatively short. Companies that use the seven-day elimination period on the health section of their policies have been getting off rather easy, as many of the cases fall entirely within the exclusion period and very few of them run for more than a couple of days beyond that limit. Probably the greater part of the serious claims have come from young people in the 20s, who failed to realize the debilitating effect of the "flu" or the necessity for taking care of themselves after such an attack, and consequently have suffered a relapse.

Older Men Get Back First

The claim situation generally is not regarded as alarming, although general business conditions undoubtedly have resulted in the filing of more small claims and an effort to extend the period for which indemnity is collected. Some companies report, however, that the depression has had one unexpected effect from the claim standpoint, in that it has tended to reverse the usual experience that disability is likely to be more prolonged in the case of the older policyholder. Nowadays the older man who has a job is anxious to get back to it as quickly as possible. He realizes that his hold on his job is uncertain at best and is eager to prove that he is just as good as the younger man. Furthermore, the amount of indemnity he is carrying is usually inadequate to meet his family responsibilities, especially for a protracted period, and he is more anxious to have his regular pay check coming in again than the younger man who has not such responsibilities.

Benjamin Franklin Gets Injunction

LOS ANGELES, Jan. 4.—Commissioner Mitchell of California has been estopped by the superior court of Los Angeles county from interfering with the operations of the Benjamin Franklin Bonding until the entire matter is adjudicated. Another hearing will be held Jan. 9. The company is now operating without a license, its right to do business having been stopped last month. The company has fought Mr. Mitchell's orders since the start and when first advised to cease writing business, countered with the sensational charges that an employee of the insurance department has solicited a \$10,000 "fee" for issuance of a license. Commissioner Mitchell claims the company is impaired about \$200,000 and that given 60 days to make good, failed to do so.

Take Aetna Casualty in Atlanta

Haas, Howell & Dodd of Atlanta, Ga., have been appointed general agents of the Aetna Casualty for all lines. Haas, Howell & Dodd have one of the largest agencies in Atlanta. It is understood that they have resigned the Maryland Casualty, which they have represented since the organization of the office.

WORKMEN'S COMPENSATION

Draft Second Oklahoma Bill

Governor's Committee Agrees on Recommendations for Changes in Present State Law

OKLAHOMA CITY, Jan. 4.—A draft of a new compensation law will be presented to Governor Murray by a special committee appointed by him several months ago, shortly after the legislative session opens. Details as to the provisions of the proposed law were worked out at a meeting of the committee during the past week, but the governor requested the committee to withhold its findings, draft them into a complete bill and give it to him later. He will then, after giving it his approval, have it introduced in the legislature. W. A. Murphy, state labor commissioner, is chairman of the special committee.

The committee decided not to release for publication its recommendations for the new law, pending the governor's approval. This new measure will be sepa-

rate from that already drawn for presentation by the Associated Industries and the Oklahoma Insurers.

It is well established that some change in the compensation act is inevitable. It had functioned well under conditions that have obtained for the past 15 years, but under industrial changes now in force a revision is necessary.

Governor Murray has not announced definitely whether he will recommend a state insurance plan. He has discussed this phase of the problem at times. It is likely that a state fund plan will be presented by some member of the legislature.

Accident Cost Is Heavy on Emergency Relief Workers

MILWAUKEE, Jan. 4.—City and county officials are facing a serious problem in the rapidly mounting costs of accidents to emergency relief or temporary employees, most of whom are not covered by compensation insurance. The county park board has been carry-

ing compensation insurance on workers, but other county departments and the city of Milwaukee have not covered outdoor relief workers with insurance.

The Wisconsin Compensation Rating & Inspection Bureau has been trying to get a line on unemployment relief work compensation experience. Figures for 1931 were not so bad and came fairly well within expectations. However, 1932 saw a large number of additional men employed, largely untried and unskilled workers, and the bureau is now waiting for figures to determine the experience of the past year.

Casualty men here point out that public officials, who have been protesting compensation insurance rates, are now getting some first-hand experience in costs of compensation paid and other problems of this form of insurance.

Disease Coverage Excluded in N. Y., Senior Announces

The schedule of revised rates and rating values based on the 3.6 percent increase in average compensation rate level recommended by Superintendent Van Schaick of New York has been sent to the companies by General Manager Senior of the Compensation Insurance Rating Board. In his bulletin, Mr.

Senior states that the compensation manual will state affirmatively that the rates filed exclude cover for damage suits due to occupational disease. Coverage for these suits will be provided by special endorsement subject to a scale of charges. The endorsement will provide standard limits of \$5,000 for one person and, subject to such limitations, \$15,000 in the aggregate for a 12 month period.

The actuarial committee has amended the rules and qualifications for experience rating to increase the average annual premium requirement from \$100 to \$500.

Governor H. H. Lehman in his first annual message to the New York legislature this week recommended the extension of the present workmen's compensation laws to include all occupational diseases.

New Mining Data Asked

SAN FRANCISCO, Jan. 4.—Commissioner Mitchell of California, instead of complying with Governor Rolph's recommendation that the new mining compensation rates be postponed until Jan. 15, has suggested that the industry submit its data upon which it bases its fight for a lower rate and that if such data proves adequate a new rate will be computed and made retroactive to Jan. 1. Coincident with this, the committee appointed by the governor to study the question and which requested the postponement, will meet with Commissioner Mitchell and his staff, as well as W. A. Chowen, manager California Inspection Rating Bureau, in Sacramento, Jan. 11 to discuss this phase.

Cook County Bureau Meets Jan. 10 to Elect Officers

President E. I. Fiery and all officers who have served during the first six months of life of the Cook County (Ill.) Plate Glass Insurance Bureau probably will be reelected for a full term at the annual meeting to be held in the Insurance Club rooms in Chicago Jan. 10. The bureau started operation July 1, 1932, and now has approximately 30,000 rates on file.

In the short time the bureau has gained many benefits for members, and as well for companies outside the fold. The bureau secured a substantial rate increase in Cook county, as well as elimination of the 50/50 policy and equity rating. This has been done at an expense well under the original estimate. There are now 31 member companies, representing upwards of 70 percent of Cook county plate glass premiums. There are only a few outside companies except the mutuals which are selling a 50/50 policy in Cook county.

President Fiery, who is Cook county manager for the Royal Indemnity, reports that the bureau plan has worked out unusually well. Member companies have cooperated exceptionally. H. S. Slipner, Bankers Indemnity, is vice-president; W. E. Tucker, Commercial Casualty and Metropolitan Casualty, treasurer, and J. A. Lawlar, secretary. It is likely that the executive committee, headed by Mr. Fiery and made up of L. A. Kraft, C. M. Hayden, Ogden Davidson and J. W. Johnson, also will be continued.

Portland Adjusters Elect

PORTLAND, ORE., Jan. 4.—At the annual meeting of the Oregon Casualty Adjusters Association, I. W. Howe, Associated Indemnity, was elected president; Julius Fink, Pacific Indemnity, vice-president, and Roy F. Owen, independent adjuster, secretary-treasurer for the third consecutive year.

N. J. Claim Men's Meeting

NEWARK, Jan. 4.—The annual meeting of the New Jersey Casualty & Utilities Claim Men's Protection Association, of which B. J. Mackey is president, will be held in Newark Jan. 11.

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Auto Fatalities in 1932 Near 29,000

(CONTINUED FROM PAGE 27)

Utah, the decrease has been 22.89 percent. The west north central states, comprising Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska and Kansas, show a decrease of 23.22 percent.

Statistics on the registration of motor vehicles from 31 states and the District of Columbia, compiled on mostly a nine-months' basis, indicate approximately 8.3 percent less registration of private passenger cars, and of 6.5 percent less of other types. Combined experience available gives 8.1 percent less registration of motor vehicles.

Gasoline consumption, as reported by all the states and the District of Columbia on a nine-months' basis, is 7 percent less. Final figures on registration and consumption of gasoline are expected to show greater reductions.

The lessened use of motor vehicles has had an important effect upon the number of deaths and non-fatal injuries, the Travelers states.

Premiums Are Off About 15 Percent

(CONTINUED FROM PAGE 27)

While a few companies report an improvement in the lapse ratio for September, October and November, 1932, most of them said the lapse ratio showed no improvement for those months as compared with months immediately preceding. The returns sent in to the "Bulletins" covered a little above one-third of the commercial and monthly premium accident and health annual business.

Need for Drastic Action Is Shown in 1932 Review

(CONTINUED FROM PAGE 27)

eral business activity, were out of all reason under wage earnings conditions that obtained in 1931 and 1932. That labor interests would consent to any modification of the existing benefits, is wholly improbable, though that should not prevent an earnest effort being made to amend the statutes to bring them into conformity with present industrial conditions.

That company officials have attempted earnestly to curtail their expense operations in every conceivable direction is undoubted. Salaries have been cut savagely, bureau costs reduced as far as possible and every controllable outgo pruned to the bone. These economies, however, have proven insufficient to offset the loss of premium income on compensation business and further savings must be effected. Though defeated in their attempt to reduce the commission rate allowed upon risks paying each an annual premium of \$1,000 or more, company officials still feel that some such plan must be adopted if the stock carriers and their field representatives are to retain upon their books the most desirable class of risks, and it is deemed highly probable that the program will again be put forth and its support by the agency force invited.

While the major losses in the casualty and surety fields have been supplied by the compensation, automobile and fidelity lines, little if any profit has been had from other important divisions of the business. Some gain is hoped for because of the 20 percent increase in rates on accident covers adopted last March. But the effort has been hampered through lack of complete cooperation on the part of the companies, a number of which continue to charge former premiums and refuse to adopt the standard types of policies. Burglary and robbery premiums for 1932, it is predicted, will be less by sev-

eral millions than the total for 1931, while the loss trend is best evidenced by the rate advance decreed for the country over 30 days ago.

Loss experience on plate glass insurance, too, was such as to compel a recent rate advance over a large section of the country, to what advantage it is too soon yet to predict.

Joint Casualty and Fire Cost Control Is Broached

A meeting will be held early in January of a committee from the Pacific Board and casualty representatives in an effort to formulate a plan for coordination of casualty and fire acquisition cost control. The plan would then be submitted to eastern governing organizations. Extension of separation to include casualty as well as fire is one of the outstanding proposals. This program has been advocated for some time on the Pacific Coast.

Another feature of the discussion will be an attempt to arrive at a definition of a casualty general agent that would protect the legitimate casualty general agent and eliminate the fictitious office. Then an attempt will be made to agree on some enforcement methods and penalties for violation in the casualty field

on the coast. Accident and health and surety will not be brought into the discussion. The program is being considered only from the point of view of California at present.

On the coast, casualty and fire departments are operated by many companies under the same management and the set-up is therefore more favorable to coordinated control than in other jurisdictions.

According to sponsors of the movement the new organization which would result, would not conflict with the acquisition cost conference but would, on the contrary, aid in its objects by having uniform regulations, readily enforceable and supported by the fire company members of the Board of Fire Underwriters of the Pacific.

Continental Casualty Opens Its New Chicago City Branch

The new city branch office of the Continental Casualty was opened in the Insurance Exchange in Chicago Tuesday with flying colors. Large and numerous bouquets of flowers were sent by friends and the entire office brilliantly illuminated presented a bower of beauty. Vice-President H. A. Glasgow and J. C. Griswold, resident vice-president, acted as

official hosts, being assisted by competent department heads. Many people paid their respects during the day. President H. A. Behrens attended with C. F. Gloré of Field, Gloré & Co., one of the directors. A number of officials from the head office dropped in to express their wishes. This office is one of the largest and most conveniently arranged in the Insurance Exchange. It is indicative of the standing of the Continental Casualty in its home city.

General Surety Winding Up

The General Surety of New York, having practically closed up its affairs, is requesting the New York department to liquidate the balance of its liabilities for the purpose of dissolution. The General Surety retired from active underwriting two years ago. It has now reduced its premium reserve to \$32,351, of which \$6,101 represents general lines and \$26,250 secured guarantees having from five to seven years to run. Its loss reserves are now less than \$6,500.

The General Surety was organized in 1928 with \$4,000,000 capital and \$8,500,000 surplus. Late in 1930, Vice-President E. J. Donegan announced that the directors, after careful study, had decided that prospects were not promising and that they had therefore decided to quit the surety field.

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FIDELITY AND SURETY NEWS

Would Knock Out State Fund

Wisconsin Democratic Leaders Say Depository Law Threatens State With Bankruptcy

MILWAUKEE, Jan. 4.—Democratic leaders, who are now assuming control of the state government, are trying to find a way out of the situation created by the state board of deposits law, which they charge has cost the people of Wisconsin \$5,000,000 and threatens the state with bankruptcy. The state a year ago took over bonding of public funds in banks and since has paid \$444,887 in claims of governmental units which lost money as a result of bank closings, according to state officials. The amount of outstanding claims against the state fund has been unofficially reported at anywhere from \$2,000,000 to \$8,000,000. Officials stated that it is not possible to estimate what amount of actual outstanding claims the state fund will have to pay because the banks, through liquidation or settlement, will pay an undetermined portion of the losses.

"In the next two years the state will lose \$25,000,000 and be ruined unless the law is knocked out," said O. A. La Budde, chairman Democratic state committee, "for it is provided that where the fund is depleted, the general fund can be drawn upon and taxes levied to pay its obligations. Such a guaranty scheme in these perilous times is a fantasy. It won't work."

In 1932 the average daily balance of public funds on deposit in Wisconsin banks was \$70,000,000. More than 75 percent of the funds were covered by the state depository fund, about 15 percent by surety companies, and about 10 percent by personal surety bonds. The state law provided for payment of 1 percent of the average daily balance into a state fund, but last October this was increased to 2 percent because of heavy losses.

Report on Bonds Guaranteed by Two Defunct Sureties

The so-called general service bondholders protective committee has advised holders of bonds, which were underwritten or sold by or through the Provident State Securities Company, of the state of affairs in connection with their holdings. These bonds were guaranteed by the defunct New Jersey Fidelity & Plate Glass and the defunct Federal Surety of Davenport, Ia.

J. A. O. Preus, vice-president of W. A. Alexander & Co. and co-receiver of the Old Colony Life of Chicago, is a member of the committee.

The committee states that foreclosure bills have been filed against practically all of the buildings in which the committee is interested and receivers have been appointed.

The committee states it is unable now to estimate what return the bondholders will receive by making claims against the New Jersey Fidelity & Plate Glass and Federal Surety, but expresses the

belief that the bondholders should waive no rights they may have against the receivers of the surety companies that guaranteed the bonds. The committee states it will watch closely the liquidation of the New Jersey and Federal Surety and see that assets are preserved for the benefit of their creditors, including the depositing bondholders.

Twenty properties, all of them apartment buildings, comprise the projects financed by the Provident State Securities Company. Fifteen are in Chicago, three in Kansas City, one in Louisville and one in St. Louis.

Write Mississippi Bridge Bond

NEW ORLEANS, Jan. 4.—The contract bond on the bridge to be built across the Mississippi river here has been executed on a co-surety basis by a group of companies approved by the United States Treasury department. The Union Indemnity is the original underwriter. Other companies participating are the Continental Casualty, Aetna Casualty, Hartford Accident, American Surety, Fidelity & Deposit, Royal Indemnity, United States Fidelity & Guaranty, Massachusetts Bonding, New Amsterdam Casualty, United States Casualty, Standard Surety, Maryland Casualty and Indemnity of North America.

Newark Surety Men Elect

NEWARK, Jan. 4.—At the annual meeting of the Surety Underwriters Association of New Jersey J. F. Clark, manager American Surety and New York Casualty, was re-elected for a fourth term. He has headed the organization since its inception. Other officers are: Vice-president, C. W. Quick, Aetna Casualty; secretary, Ralph Hawkins, New Amsterdam Casualty; treasurer, Edward Charles, Indemnity of North America.

The executive committee is now composed of C. J. Collins, Standard Accident; Raymond Crowe, Commercial Casualty; Paul Parris, Fidelity & Deposit; Thomas Graham, Fidelity & Casualty, and D. B. Lumpkin, Maryland Casualty.

Ohio Special Bonds Higher

COLUMBUS, O., Jan. 4.—Some of the larger bonding companies, it was learned this week, have increased the rate on bonds required by the state of Ohio for dealers in and salesmen of real estate and securities. The rate for a \$10,000 bond has been increased from \$75 to \$100 a year and the \$2,500 bond required for security salesmen from \$18.75 to \$25. The bond for a real estate broker also has been raised from \$4 to \$10.

New Alabama Truck Law

BIRMINGHAM, ALA., Jan. 4.—Alabama's new truck law, which went into effect Dec. 27, requires all contract carriers operating outside the limits of any city to provide \$5,000 property damage and \$5,000/\$10,000 liability insurance.

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Part D—Fiduciary Bonds.
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Part F—Public Official Bonds.
Part G—Depository Bonds.
Part H—License and Permit Bonds.
Part I—Miscellaneous Bonds.

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